

## Report

# **Economic predation: taxation, extortion and commandeering in Mon State**

## **I. Introduction**

The economic situation on Burma's southern peninsula is demonstrative of the often spoke truisms about the interconnectedness of the globalized world economy. Though Burma's foreign trade is limited by government mismanagement and international sanctions, it is still reliant on and impacted by changes in the international financial environment. Today in Mon State, the reduction in the international demand for rubber has led to a plummet in the value of rubber. Similarly, a bumper paddy crop in Southeast Asia following last year's international rice shortages has paddy at a fraction of its normal value. The precipitous decline in price of Mon State's primary agricultural products is being matched by a decline in remittances as migrant workers earn less in now-struggling neighboring countries Thailand and Malaysia.

Burma's State Peace and Development Council (SPDC) government has done little, however, to respond to the deteriorating economic environment; in December Prime Minister Thein Sein went so far as to say that Burma would be "unaffected" by international financial problems. But the SPDC's negative impact on the economic livelihoods of its residents goes beyond ignorance and mismanagement. Indeed, the SPDC has continued to actively undermine the economic wellbeing of residents in Mon State, maintaining or even increasing levels of punitive taxation in spite of villager's rapidly shrinking incomes. This is perhaps what has led Macquarie University's Sean Turnell to describe the SPDC as predatory, and "not so much parasitic of its host as all-consuming. If in other countries ruling regimes behave occasionally as racketeers in skimming a 'cut' from prosperous business, then Burma's is more like a looter – destroying what it can neither create nor understand."

This economic predation is the subject of this month's report. The first section provides a brief background of the economic environment in Mon State. The next section breaks down the common categories of taxation, extortion and commandeering suffered by residents in Mon State with examples documented during more than 60 interviews in the area over the last six months. The taxation is not limited to the areas detailed in the examples; they are simply recently documented cases, with many other similar cases occurring elsewhere. The report then concludes with analysis and interview excerpts of residents explaining the taxation's very real, very dire impact on their basic ability to survive.

## **II. Background**

### **A. Bad times, getting worse**

Countrywide, Burma's economy is among the weakest in the world. In 1987 it was officially designated a "Least Developed Country;" 20 years later, manufacturing and services remain an extraordinarily low percentage of the country's GDP while agriculture and related activities make up nearly 50%. Strict international sanctions, domestic political problems and government mismanagement of the economy mean that the country sees little foreign investment. What investment does make it into the country is mostly limited to resource extraction, with the largest percentage concentrated in the gas and oil sectors. Calculated at the official exchange rate, this sector earned the government \$US1.25 billion in 2006/2007. The government exchange rate, however, over-values the currency by 150-200 times its market value. Calculated at the market exchange rate of 1,000 kyat to \$1USD, revenue from natural gas sales more than fund government expenditures.

Unfortunately, SPDC expenditures on health and social services are amongst the lowest in the world. The junta spends just 1.4 percent of GDP on education and health, half that of neighboring countries. The impact for residents of the country is substantial; only a quarter of children complete primary school and UNICEF rates Burma's health system as "the second-worst in the world," ahead only of Sierra Leone. Burma is the only country in the region, meanwhile, to spend more on the military than education and health combined.

Burma's generally poor economic environment and paucity of social services leaves many residents struggling to get by. In 2008, per-capita GDP amounted to an average of only \$290 USD, with 70 percent of this income spent on food. This is the highest proportion of household income spent on food in the region, and a solid indicator of the narrow gulf separating households from times when they can feed themselves and times when they cannot. These numbers worsen markedly in rural areas; in 2006, a joint survey by the UNDP and the SPDC's Central Statistical Organization found 50 percent of the population in non-Burman regions to have incomes insufficient to pay for food and other basic needs.

Compared to other parts of Burma, however, Mon State is relatively well off. Primarily an agricultural area, it is home to thousands of acres of fertile rubber plantations and paddy fields, with lesser acreage devoted to lucrative crops like betel nut, durian, and other orchard products. Perhaps the best indicator of Mon State's economic position in relation to other parts of Burma is the fact that large numbers of ethnic Burman workers have moved to the area in search of work. Mon State is by no means a wealthy or affluent area, however, and many young people from Mon State leave to seek work in Thailand, Malaysia or other nearby countries.

Though extensive international sanctions limit Burma's involvement in international trade, the country is still feeling the effects of the global financial crisis. Though accurate statistics on Burma's economy are scarce, discussions amongst the country's wealthiest businessmen offer a respectable barometer of the country's future. In December, for instance, tycoon and junta ally Htay Za told senior executives from his Htoo Trading Co. Ltd and affiliates that the global recession would severely impact business in Burma. According to media reports, he told the meeting that Burma's GDP would fall by almost a third. Ironically, just a day earlier, state-run newspaper *Myanma Alin* quoted Prime Minister Thein Sein saying that global economic problems were "irrelevant" to Burma's economy.

In the case of Mon State, the crucial paddy and rubber markets have been hit particularly hard. Rubber, subject to declining manufacturing demand, is worth just 25% of its 2008 value. Paddy, which saw a bumper crop in Southeast Asia after the 2008 rainy season, is selling for 100,000 kyat less per 100 baskets.. Remittances sent home to relatives from migrant workers employed abroad, meanwhile, have slowed to a trickle; according to the Independent Mon News Agency (IMNA) earlier this month, money transfer agents are receiving transfers at half of their normal rate. "I lost half of my business," IMNA quoted an agent in Three Pagodas Pass, on the Thai-Burma border. "Although some migrant workers still send money, they now send less – just enough for their families' basic needs." In February, the agent said he transferred 200 million kyat; the number was close to 500 million during the same period in 2008. As might be expected, the decline in these major sectors of Mon State's economy is having knock-on effects; shop owners report that they are selling fewer products and even betel nut farmers have seen their normally lucrative products drop in value from 2800 kyat per viss to just 1150. A viss is a unit of measure used in Burma, equivalent to 1.633 kilograms.

## **B. Taxation**

Though Burma's military government continues to skimp on social services and maintain high rates of defense spending, the SPDC struggles to fully support its over 400 thousand troops. Front-line battalions are subsequently encouraged to be "self reliant," and instructed to raise funds and rations on their own. Such a directive, when given in a context in which the army conducts itself with virtually no oversight or culpability, is tantamount to giving the *Tatmadaw* carte blanche to extract resources from rural villagers however it sees fit.

Many civilian authorities appear no less hesitant to extract funds from local residents. This is perhaps why international corruption watchdog group Transparency International



Village meeting organized by local authorities to issue orders for taxation in southern Ye Township, Mon State

rates Burma the second most corrupt country in the world, trailed only by Somalia. The taxes and fees are rarely codified in any law, let alone crafted with the input of local residents. Nor are they necessarily predictable or consistent, compounding their toll on local residents. For these reasons, the taxation is often referred to as “*akol*” in Mon, which loosely translates as “illegal tax.”

The combination of rapacious corruption, lack of oversight and a demanding army mean that villagers continue to be forced to make a variety of payments, payments that are taking an increasing toll as Mon State’s economic situation worsens. The following sections of this report document examples of these payments, organized into 4 broad categories:

1. Payments in lieu of forced labor
2. Payments for development projects, special events and visits by VIP government officers
3. Payments for basic government services and general exploitative opportunism
4. Payments for support of the army

Following these sections, the report concludes with testimony by local villagers, who explain how taxation impacts their livelihoods.

### **III. Taxation, extortion and commandeering**

#### **A. Forced labor fees**

In spite of condemnations by the International Labor Organization, villagers continue to report being conscripted as forced laborers by the army and township and village Peace and Development Council (TPDC or VPDC) officials. Demands for forced labor are particularly common in southern Ye Township and northern Tenasserim, but they persist even in townships to the north like Thanbyuzayat and Mudon. Though forced labor demands are less common in these northern townships, local residents of these areas – as well as areas like Ye – are frequently required to pay for the right *not* to work as unpaid laborers. “I used to have to go work [as an unpaid laborer] on the motorway repairs in 1999 and 2000. At that time, organizations like the [International Labor Organization – ILO] they cared about forced labor in Myanmar. Suddenly, the government stopped forcing us in 2001 after the ILO visited,” said a woman from Ye Township. “But they changed to another way of forcing the people – they make us pay money.”

Forced labor fees are often required when PDC officials are undertaking “development” projects, on which they demand area residents work as unpaid laborers.

During February, villagers were forced to repair a 17-mile section of the Moulmein to Ye railway line in Thanbyuzayat Township. Based on orders from Infantry Battalion (IB) No. 62, every household in confirmed villages including Anin, Ankay, Kyaun Ywa, Tin Yu, Karot Pi and Kaw Htaa was required to either provide a laborer or pay 5000 kyat. Most residents are opting to pay the fee rather than work. “This is not self-help,” a resident told HURFOM. “It should be part of the government infrastructure projects. The whole January to February, my parents had to give a total of 8000 kyat. This is too much to pay. The normal tax we pay is around 4000 to 5000. But because of this road repair, my parents have to give extra. It’s too much for self help, it should be the government.”

Forced labor and fees for annual repairs to dirt roads are also common in Mon State following the end of each rainy season. In 2008, HURFOM documented such forced labor or fees in every township in Mon State. In the area around Toe-Tat-Ywa-Thit and Yin Ye villages, Ye Township, villagers



Forced laborers working on bridge repairs in southern Ye Township, Mon State



began being forced to repair sections of road in September. According to local sources, the early onset of the project was triggered by a visit by an important official from Moulmein. Each household was consequently responsible for providing materials and labor to fix six square meters of road. Households failing to work had to pay 10,000 kyat. "We have had to dig soil, carry it in baskets to the road where it is used to build the road," a resident explained to HURFOM at the end of September. "People must go to work. If not we have to hire someone to go on behalf of us. We are not paid."

Residents are also often required to make payments in substitution for minor projects like brush clearing or repairs to schools or government buildings.

In Thanbyuzayat, resident of the Waekami villages are being required to clear brush along the Moulmein to Ye road or pay 2000 kyat per day to avoid the labor. The fees are based upon orders by IB No. 62, which reportedly worries that the primarily ethnic Karen villagers are connected to an armed Karen rebel group. According to local sources, 10 feet to each side of the road must be kept clear of brush.

Similar orders are reported by villagers in other areas where SPDC battalions worry about encountering armed insurgents. In October, Light Infantry Battalion (LIB) No. 299 ordered residents in southern Ye Township to clear brush on roads, rubber plantations and the army barracks. Households possessing gas-powered grass trimmers were required to participate, 4 days per month. Residents who could not or would not work were required to pay 12,000 kyat per day.

In Kaloh Tort village, Mudon Township, VPDC head U Aung Zaw Moe began collecting funds for school repairs in January. Every student household was required to pay between 5,000 and 6,000 kyat, depending on income. The collection came in spite of the donation of 200 bags of cement by SPDC Major General Thet Naing Win. According to a teacher quoted by another villager, U Aung Zaw Moe sold the cement: "I don't want to collect money from the students but I have no choice as the order came from the head man. I have to do this to improve the school. He sold all the cement we got from Major General Thet Naing Win."

Residents in areas with stationed or patrolling Burmese army battalions also report being forced to make payments to avoid work as unpaid porters carrying military equipment.

Beginning in January 2008, residents of at least 9 villages in Ye Town have been required to make monthly "village security and offensive porter" fees. According to local residents, in 2009 the monthly fee was raised from 800 or 1000 to 1500 or 2000 kyat. "Since January 2008, when armed clashes happened between some Mon guerrilla soldiers and the Burma Army battalions, [the Burmese Army] have started forcing all of us to pay them this kind of monthly fee," explained a man from Asin village. "But I don't understand why they increased the amount of payment even though there are no more clashes between those groups in this area." Confirmed payments are being made in Duya, Abaw, Asin, Demin Seik and Zebuyaung villages on the order of Major Min Naing Oo of IB No. 62. One source that travels throughout the area selling goods said that the payments are made in every village in western Ye. Villagers east of the Ye to Tavoy motor road including Kaloh, Chaung Tuang, Koe Mile and Kyaung Ywa have also been confirmed to be paying similar porter fees of 1000 to 1500 kyat to IB No. 61.

Villagers are also required to pay if they do not wish to stand sentry along gas pipelines, roads, railway lines or outside their villages.

Residents of at least 11 villages along the Kanbauk to Myaing Kalay gas pipeline in Thanbyuzayat Township are being required to stand sentry guarding the pipeline. Villagers desiring to avoid participation in the rotating sentry duty must pay 4,000 kyat. Pipeline sentry duty and related security fees are an annual burden borne by residents along the pipeline's route, but a November announcement by IB 62 raised the fee from 1500 or 2000 kyat to 4000. "My duty will come soon," a resident told HURFOM in December. "I don't want to pay 4,000 kyat. That amount of money is enough to feed my family for two days. So, I have to go and guard the pipeline." Confirmed affected villages include Wae-Khami, Chopaline, Wae-Win-Kra, Wae Thun-Kyaung, Anin Kyaung Way, Anin, Sakhan, Taungout, Pain-Nae-Taw, Krein-Padaw and Sakhan Gyi.

Residents of areas with active insurgent groups are also required to stand sentry and walk patrols around their villages. Like the pipeline security duty, each household must supply a person to take their place among rotating guard duties. Villagers wishing to avoid the duty must pay 3000 to 4000 kyat.

"If someone could not go and do sentry duty, they had to replace with some one else," explained a villager from Puck Pin Kiwn. "Sometimes they had to send their child for sentry duty. Sometimes children only twelve years old had to take sentry duty." Recently confirmed affected villages include Puck Pin Kwin, Lae Kyi, Nat Kyi Zin, Min Tha and Sein Bone in southern Ye and northern Yebyu, Tenasserim Division.

## **B. Projects and events**

Separate from situations in which villagers must pay for the right not to work as unpaid laborers, local sources also report being required to pay for government projects and special events. Though sometimes for needed and appreciated endeavors like road construction or school repairs, villagers consistently described paying for projects that never fully materialized or only partially came to fruition.

Starting in January, residents along the 10-mile Kyaikmayaw to Kyun Ywa road in Kyaikmayaw Township have been required to make payments for tarmac repairs. According to a source close to the TPDC, however, funding from the "Na Ta La" Border Area Development Program was already allocated to pay for the repairs. Nonetheless, households in each of the 14 villages along the road must pay the TPDC 2000 kyat. According to the same source, money has been collected for repairs to this stretch of road several times over the last 6 or 7 years. The funds have never visibly been used for anything beyond the cursory filling of potholes. According to another source, the majority of area's at least 4000 households have already made their payment.

Starting in January, residents of 16 villages along the 10-mile road connecting Baw Htaw and Kyun Taw villages in Ye Township have been required to pay for repairs. IB No. 61 and TPDC Chairman U Thein Zaw required each village to provide a sum payment of at least 700,000 kyat, with some required to pay as much as a 1 million. This has presented serious difficulties for villages like Ku Taing, which must divide the burden of the payment among just 45 or 50 households.

Villagers reported paying monthly fees into a general reserve fund ostensibly to be used for visits from VIPs from the Southeast Command in Moulmein or government departments like the Ministry of Agriculture and Irrigation. In Kyaikmayaw Township, residents of a confirmed 13 villages are required to make monthly payments of 1000 kyat. Affected villages include Darana, Kayen, Chan gone, Mya Gone, Nee Done, Kawduu, Kaw Panow, Kaw Kalart, Shan Gyi, Myawe House, Pan Gone, Kyun Ywa, Mat Katar. Residents of 22 villages in Ye have also been confirmed to be making similar payments of 1,500 kyat per month. Confirmed villages include all 19 villages in Khaw Zar Sub-township, made up of Ko Mile, Man Aung, Kwan Hlaing, Sin Gu, Toe Thet Ywar Thit, Theh Khon, Yin Ye, Yin Dein, Win Tamout, Ma Gyi, Than Ee Kyaw, Mi Tar Ka Gyi, Mi Tar Ka Ley, Kyone Kanya, Do Baung, Pok Htaw, Yin Dein Lamwat, Kabyar Gyi and Kabyar Ley as well as Kyaun Ywar, Kyone Lown, Kyaun Dat in eastern Ye Township.



Bridge repaired with forced labor and funds raised from villagers in Hangan village, Ye Township

Villagers are also required to provide materials for projects spearheaded by local army battalions or PDC officials. Most often, this means stones and sand for road repairs, timber and bamboo for construction and firewood for the firing of brick kilns operated by the army.

Over the first three weeks of January, at least 6 villages in Khaw Zar Sub-Township were each required to provide three metric tons of large timber as well as other materials like nails and cement for the construction of a Dhamma Hall by IB No. 31. "Timber woods are very hard to find even in the forest. Most of the buildings in my village were built using betel nut and rubber trees. How do we get timber wood for them?" asked a young resident of Yin Dein. In Yin-Ye, residents solved the problem by purchasing timber from Khaw Zar Town at 600,000 kyat per ton. A medium sized village of 170 households, the Dhamma Hall project cost each household 11,000 kyat for timber alone. Confirmed villages include Yin-Ye, Yin-Dein, Toe-Tat-Ywa-Thit, Sin-Gu and The-Khone.

IB No. 31's Dhamma Hall project created even more problems for owners of chain saws in Khaw Zar. In the same confirmed villages above plus Kaw Hlaing village, each individual saw machine owner was required to provide IB No. 31 another metric ton of timber. "Some of my friends who are running the chain saw like me already finished providing their quota to Lieutenant Colonel Tun Tun Naing," explained a saw owner in the area. "They solved the problem by buying some wood around the village and some owners went to Khaw Zar to find cheaper wood. I have to buy like that too. It will cost about Kyat 400,000 to 550,000 per metric ton. My wife promised me to sell out her gold necklace."

Residents are also sometimes required to pay for ceremonies, concerts and events – regardless of whether they wish to attend.

In the 2<sup>nd</sup> week of December, all 19 villages in Khaw Zar Sub-township were required to pay for a celebration commemorating the 52<sup>nd</sup> anniversary of the formation of IB No. 31. The celebration included a week of festivities and a lottery, for which each household had to pay 500 to 1000 kyat, depending on their income, plus purchase one or two lottery tickets at 1000 kyat each. "They collected at least 500 to 1000 kyat. Everything is by force. The other thing was they sold lottery tickets. But I did not hear of anyone winning a prize in the lottery. For my family, I had to buy two tickets – one is for my parents and the other for my sister's family," said a betel nut plantation worker from Do Baung village.

Residents in Mudon Township have also repeatedly reported being forced to buy tickets for concerts put on as fundraisers by PDC officials and police. The tickets were "sold" using a variety of strategies. In February, villages in Mudon were allotted blocks of tickets for which they had to pay between 200,000 and 300,000 kyat. In some villages, this cost was relatively equally distributed between all households, who reported paying from 300 to 1000 kyat. In other places, people guilty of illegal, but common, crimes like driving without helmets or licenses or selling 3-digit lottery tickets were also targeted, and made to purchase tickets at 5000 to 7000 kyat per person. "No one wants to buy the tickets because now we have a very difficult time finding money," a villager told HURFOM in December. "Many of us do not want to buy it because we do not have food for a meal. Where can we get the money for a ticket?"

### **C. Services and general opportunism**

Villagers are routinely made to pay extra for basic services. Obtaining needed and wanted things like electricity, family lists or identification papers can be difficult, expensive and sometimes impossible. In northern Mon State, relatively affluent villages in Chaung Zone and Mudon Townships report multi-million kyat multi-year odysseys in which they have attempted – and continue to fail – to connect their villages to the weak and spotty government grid. Updating family lists or obtaining a government ID – vitally important tasks if one wishes to move outside the village – can also be a lengthily process fraught with extra fees and "tea money."

Perhaps the best examples of this opportunism are the ample road checkpoints operated by army, police, immigration, People's Militia Force and PDC officials. Passing through these checkpoints typically costs only 100 to 200 kyat, though reports or rumors of insurgent activity or other security concerns can cause the cost and scrutiny to increase. Though ostensibly there so that the population can be "secure," multiple checkpoints



The degree to which authorities in Mon State extract resources can also be seen in the way villagers are required to pay for things regardless of whether villagers desire or feel they need them.

[illegible]

**Order issued for the collection of taxes in southern Ye Township,  
Mon State**

village was required to field a team; Kaw Line village was ultimately fined 500,000 kyat for refusing to play after disputing an umpire's call. Similar fees were reported in September, with villagers in Mudon, Thaton and Pa'an Townships in Mon and Karen States ordered to pay for the 13<sup>th</sup> Inter State and Division under-15 Football Tournament.

Residents of many villages have to make monthly “village security” payments to the VPDC administration. The tax is for the maintenance of a village People’s Militia Force (PMF) as well as food and supplies for army columns should they pass through. In every village in Khaw Zar Sub-township plus Kyaun Ywar, Kyone Lown and Kyaun Dat villages in eastern Ye Township, this amounts to a confirmed 2000 kyat per month. Similar monthly security fees of 1000 to 1500 kyat have been confirmed in Kyaikmayaw Township, including Darana, Kayen, Chan gone, Mya Gone, Nee Done, Kawduu, Kaw Panow, Kaw Kalart, Shan Gyi, Myawe House, Pan Gone, Kyun Ywa and Mat Katar and Thanbyuzayat Township including Wagaru and Taung Phalu villages.

Villagers also report having their homes, businesses and agricultural projects taxed, for reasons unknown other than perhaps the fact that they are successful.

In Mudon Township, during January the Forestry Department instructed 200 kyat to be collected per 400 trees on each rubber plantation in the area. VPDC headmen, however, took the opportunity to earn extra income and increased the tax by 600 to 3600 kyat. "Some villages nearby our village have to pay one thousand kyat for four hundred trees. But in our village, the headman collected four thousands kyat," a resident of Naing Hlone village told HURFOM in January. "[VPDC headman Nai Win Shin] takes every opportunity on collect taxes from villagers. If upper levels order him to collect one thousand, he will collect two," said a former resident. "There are many kinds of taxes: security taxes, for the pipeline, for militia. The cost of my labor is not enough to pay. I didn't want to live that kind of life so I moved to Three Pagodas Pass."

In February, residents of Hangan and Kaw Lot villages were told they have to register and pay for a certificate that says they own their land. Though most households live on “free hold land” which has been in their families for generations, they are still being required to pay. Regardless, residents have to pay high fees, the minimum reported at 100,000 kyat and the maximum 600,000 kyat. According to a HURFOM reporter in the area, people are in shock. HURFOM has also received unconfirmed reports of a similar registration recently being completed in northern Ye, but it has not been confirmed.

### D. Support for the army

At any given time, Mon State is home to at least 24 SPDC battalions. These battalions have exploitative, extractive relationships with residents throughout the state, particularly in rural areas. The SPDC's "self reliance" funding strategies encourage battalions to look to villagers for rations and other support. Lack of oversight or culpability for soldiers who abuse civilians means "self reliance" often manifests itself as extortion and thievery, in addition to organized quotas and formal demands. Money is sometimes demanded for general

funds or specific expenditures like the provision of new equipment or food. Products and possessions are often commandeered for short term or permanent army use.

The SPDC army's practice of demanding quotas of paddy for free or at below-market government prices has been widely reported throughout Burma. Though this officially ended in 2003, villagers continue to report being required to provide agricultural products for free or at a discount.

Following the end of harvest season, villagers began reporting paddy quotas in at least 4 townships in Mon State. In Lamine Sub-township, Ye Township, farmers have been required to bring LIB No. 587 a half sack of paddy. "Every family who has a paddy field has to pay. The soldiers said if people do not want to provide paddy, they have to pay 3,000 kyat of money," said a farmer from Taung Pyin village. In Chaung Zone, Mudon and Paung Townships to the north farmers have also been required to pay a similar tax, though farmers are simply being required to pay money in lieu of actually providing paddy. Farmers are being required to pay 1000 kyat per acre.

Livestock and other small farm animals and garden products are also frequently demanded or simply stolen by soldiers.

"Because of [LIB] 583 and 591, my ox was stolen," said a woman in Kyaun Ywar, in southern Ye. "When I went and met with the commander, he denied and said it was not by his troops. 'You misplaced your ox,' he said to me." Another man in the same village recounted a similar experience: "I know for certain that a soldier from [LIB] 583 came and stole my hens. I saw with my eyes, but they deny it. Within two weeks, all 30 hens were gone."

In rural areas, villagers' possessions – often vehicles like trucks, motorbikes or tractors – are also borrowed or seized for army use. Villagers are occasionally reimbursed for fuel costs or lost business; more often, they are not.

For at least the last 5 years, IB No. 31 and IB No. 61 have been commandeering vehicles to use for army transportation in Ye Township. Each village typically has a land transport association, which organizes large vehicle owners and sets up a rotation so each owner provides their truck. In larger villages with multiple trucks, this rotation means that vehicle owners do not lose business opportunities as frequently. But villages like Ko Mile, Kyaung Kayna and Dot Paung have only one truck; in these places, the truck owners lose business more frequently. Beginning in June 2008, villagers also began being required to pay 300 kyat per month to cover army fuel costs.

Soldiers in Khaw Zar also take motorcycles daily – sometimes for short errands, sometimes for weeks at a time. Like with large vehicles, motorcycle owners are organized into a rotation by the VPDC. Villagers are reluctant to loan out their bikes, however, and say that soldiers treat them carelessly and provide no compensation for damage. "I bought my bike not so long ago," IMNA quoted a young man in Yebyu Township, Tenasserim Division, during January. "But now my bike is nearly broken, because of soldiers and the headman." Another source quoted by IMNA described similar damage, that he was never compensated for even after lodging a complaint. "If you are going to come and ask about your motorbike again," the source quoted the officer, "I will introduce you to my gun." The threat is not an idle one: in October, the Kaowao Newsgroup reported a 17 year old boy was shot in southern Ye Township after objecting to a soldier's demand for his motorcycle.

#### **IV. Livelihood consequences**

Taxation, extortion and commandeering like that described from the last few months in the above sections continues. The economic situation of villagers, meanwhile, continues to deteriorate, making it more and more difficult for residents to provide what army and government officials demand of them.

Ko San, 30, Hneepadaw, Mudon Township. "The taxes in my village increased... compared with the last 2 or 3 years. We have to compare the market prices and what we earn – right now the market price is increasing in every sector and we are making less. But the taxes do not decrease. So it means the value of what we give them is higher. A person who owns a very small plantation like me, it will be a more difficult situation than last year. I have a lot of loans to pay back for my plantations maintenance costs."





Rice forcibly collected by the Burmese army

Mi Sein, 59, Ko Mile, Ye Township. "I have two sons working Thailand. Last year they could send 50,000 kyat. But right now they can only send 30,000 kyat per month. That is not enough for our family. We have to pay different kinds of taxes collected by the authorities."

Nai Kon Blai, Thanbyuzayat Township. "Now the value of many products from our farms is very low and we can earn only a low income. But the cost of the security fees is very high. Where can we get the money to pay [the army]?"

Nai Chan Blai, Thanbyuzayat Township, discussing recently raised pipeline security fees in his village. "If

the costs continue like this, we will have to sell our farms and leave the village."

U Shwe, 50, Ye Town. "This year is the worst conditions I ever faced... Last year, I could spend my income [from the betel nut harvest] over the whole year. This year, I expect the harvest money can last only 5 months. During these last months, I had to pay a special tax to battalions like IB 31 and 61 and other military columns who came and made their offensives near my plantations. I have to pay them 10,000 kyat each time for their food supplies. Over all [in past years], I got good prices [for betel nut] but this year it is bad. I cannot even support my kids' educations."

Mi Hla, 28, Singu, Khaw-zar Sub-township. "They named this taking of money as a 'donation.' It is a nice word... but no one trusts [the army] to manage this money. And people are too poor for the various types of payment asked by the Burmese troops. Compared with the past ten years, the current conditions are the worst we have ever faced. As you know, people from these areas are surviving their life as betel nut producers. This year, no one gets fair prices for their betel nut fruits... [It] is very difficult to cover our family's expenses for the whole year with these unlawful taxes forced by the government."

Villagers with a variety of incomes – from relatively well-off plantation owners and skilled workers to day laborers – complained of the impact on their livelihoods. "The large tiger has large footprints," said one source using a common Burmese proverb, explaining that the more successful a household is, the more it will be made to pay. Poorer families – smaller tigers – are still made to pay, though less.

Mi Kyae, 45, day laborer, Ayu Taung village, Ye Township. "I do not have a regular job. The maximum amount I can work is about 10 days a month. Each day I work I can earn 5,000 kyat per day. Overall my income for one month is around 55,000 kyat – the maximum is 60,000 kyat. This is based on working 10 to 12 days in a month. I wish I could work every day. But most of the betel nut plantation owners do not need me for the whole month. Income is different between men and women too. I cannot work as men do. It is still difficult for me to pay for basic food costs. I have to pay about 25% of my income to the different authorities. As you have learned, in our area the cost of oil, salt, chili and rice remain the same – they have not decreased. But the betel nut owners are making less than last year. Our income depends on the owners' income. So for me, it is very difficult to take care of my family and all 5 of my children."

Mi Aye Ma, 45, Ye Town. "The total sum of payments for the whole month required by IB No. 61 and IB No. 31 could reach Kyat 5,000. I could only earn 25,000 per month. With the current market prices of essential things and basic foods, it is very, very difficult to manage to find enough food for my family."

Nai Thein, 40, mechanic, Ye Township. "For the last two years we have had to pay the same amount of taxes from different authorities. Every month we have to spend 5,000 for the fire brigade and TPDC... and sometimes special donations like repairing the school. Moreover, in some months like

### Information on HURFOM and Invitation for Feedbacks from Readers

Dear Readers,

The Human Rights Foundation of Monland (HURFOM) was founded in 1995 by a group of young Mon people. The main objectives of HURFOM are:

- monitoring the human rights situations in Mon territory and other areas Southern Burma,
- protecting and promoting internationally recognized human rights in Burma

In order to implement these objectives, HURFOM produces the monthly "Mon Forum" newsletter. If publication is delayed it is because we are waiting to confirm information, and it comes with our heartfelt apologies.

We encourage you to write to us if you have feedback or if you know someone who you think would like to receive the newsletter. Please email or mail a name and address to:

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Website: <http://www.rehmonnya.org>

With regards,

Director  
Human Rights Foundation of Monland



Electricity transformer paid for with taxes paid by local

April the government forces us to build things for special events like platforms for celebrating the water festival. In April, I will have to spend at least 10,000 kyat. I can earn 60,000 to 70,000 kyat per month. But I am still not happy to pay them like that. I think it is not fair. People who have no job also have to pay. My friend earns only 30,000 kyat – he has to pay the same as me. His condition is worse than mine. Basic food prices are higher than

the last two years, but the taxes remain the same. I want to mention that the expenses and the income are not equal. The market prices are higher and people have to pay the same taxes – it is not balanced. For other people who do not have a job like me, they will face even more difficulties.”

## V. Conclusion

Villagers in Mon State are required to make a variety of payments to army and PDC officials, which the preceding report organized into 4 categories:

- A. Payments in lieu of forced labor
- B. Payments for development projects, special events and visits by VIP government officers
- C. Payments for basic government services and general exploitative opportunism
- D. Payments for support of the army

Every household did not have to make every payment documented as examples of these categories, but the general trend should be clear: villagers are required to make extraordinary numbers of payments. Though villagers are struggling through economic conditions that are going from bad to worse, the army and PDC

officials have shown little willingness to reduce their demands. For many, these payments represent losses of worryingly high percentages of household income – and rising.

Taxation is a normal part of the operation of any government. In Mon State, however, the taxation is levied without input from residents. Villagers consistently reported seeing the money spent on unwanted, unneeded or failed projects. In many other cases, they just never saw the money again at all. For some sources who spoke with IMNA, it is this lack of transparency and accountability that frustrates villagers. “We never receive any kind of financial report. But a lot of people in our village... we want to be clear how the government uses money,” said a

HURFOM field researcher in Kyaikmayaw, recounting a teashop conversation he had with a group of older men. “We need some kind of report in detail. That way people can understand how the government manages the money the people donate. We want some kind of financial report back from the government.”



Firewood provided by villagers under orders from the Burmese army

The economic predation described in this report is not the only type of abuse suffered by villagers in Mon State. Villagers are also subject to interrogation, assault and summary execution, as well as travel restrictions, forced relocation, forced labor and other coercive abuse. As a result, according to a recent report by the Thai-Burma Border Consortium, at least 70 thousand people remain internally displaced in Mon areas, with thousands more seeking work and safety abroad. While the other abuses suffered by residents are many and serious, the sheer scope of the economic demands made on villagers in Mon State are in many cases sufficient themselves to drive people from their homes, even in non-conflict areas like Mudon and Kyaikmayaw Townships.

### Outside sources:

*Thailand Burma Border Consortium. “Internal Displacement and International Law in Eastern Burma,” October 2008.*

*Transparency International. “Corruption Perceptions Index 2008,” 2008.*

*Turnell, Sean. “Burma’s Economy 2008: Current Situation and Prospects for Reform,” Burma Economic Watch/Economics Department Macquarie University, Sydney, Australia May, 2008.*

*HURFOM is also indebted to reporting done by the Independent Mon News Agency and the Kaowao News Group.*

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### Printed Matter



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