

Seeking an optimal policy path, least “negative externalities” on regional growth in Chin State

PYAI NYEIN KYAW

Abstract

The study attempts to investigate the current condition of economic growth in Chin State. Discussion paper tries to emphasize on the Factors of Production in the state. Secondary data are employed in the study and data coming from multiple sources, are in descriptive method. Purpose of the research is to seek the priority sector that can contribute to engine of economic growth of the State. The study mainly considers and assumes an accomplished period of implementation of infrastructure development by the regional government. The author formulates the research question as to what can happen in the regional economy after the state passed over the barriers for development (infrastructure development). The author concludes that “Tourism sector” can be one of the priority sectors that can contribute to economic growth possibility and sustainability, as well as the most appropriate and least of “negative externalities”. The author tries to propose a possible growth framework where the tourism sector contributes to the regional growth in long term and short term. The paper points out that even though regional when government implemented the development strategically and inclusively, local community has no opportunities to gain economic benefits from the regional development. The community can be exclude unexpectedly from the development by the government’s implementation on agro-based sectors and manufacturing sector as a policy prioritization. Additionally, the author founds that with 71.2 percent (INSTITUTE, June, 2007), the Chin population engaged in Agriculture (including hunting and forestry) sector. Unsustainability can be seen in the Chin state, if the percent will be remained.

Keywords: Sustainable development, economic policy, poverty, Chin State, Myanmar

1. Introduction

Myanmar is constituted by seven Regions and seven States and Nay Pyi Taw, the capital of the Union as Union territory. Myanmar is one of the countries classified as Least Developed Country by the United Nations¹. The situation of the country is one with multiple obstacles such as constitutional crisis, armed and religious conflict, despite numerous economic opportunities in ASEAN. The World Bank stated that there remain risks of political instability, policy discontinuity, and stalled reforms due to vested interests (WorldBank, 2014). Most scholars expressed Myanmar as being in the “Liberalization process”, “Transitional process”, and “Democratization process”. The country is under both several challenges and opportunities. The government has formulated and declared the economic policy for the aggregate economy. Based on strong and effective legal system², national reconciliation, and peace, resources allocation and sustainable development. One obvious objective defined in twelve economic objectives, is to gain balanced growth between regions and states (T. R. o. t. U. o. Myanmar, 2016). Economic policy which also is emphasized on balanced operational development between regions and states under the former president U Thein Sein’s administration term (The Republic of the Union of Myanmar, January, 2015), according to the 2008 Constitution, where it state for the development of Regions and States, that “*The Union shall assist to promote socio-economic development including education, health, economy, transport and*

¹ <http://data.worldbank.org/region/least-developed-countries:-un-classification>

² <http://dassk.org/index.php?topic=8501.0>

communication, so forth, of less-developed National races"(T. R. o. t. U. o. Myanmar, September, 2008). Nowadays, most LDC countries have been facing a dilemma between economic growth and sustainable development to escape from LDC status. Although Government has led and tried to reform various sectors, public participation has not been ready yet to support the agenda of government. Only economic policy implementation (promotion of growth and investment) can effectively drive aggregate economic growth. The community demands equitable resources distribution among the Union government and States and Regions. Nowadays, Myanmar's economy is primed for sustainable growth; to causing government to replace the old perspectives with new ideology of political economy, based on the classical economic implementation, management and procedures. Therefore the new government has been facing insufficient capacity in economic governance since the beginning.

2. Objective

The study aims to attempt an investigation that emphasize on Chin State's economy. The investigation is to expose the optimal solution to sectorial reform and prior implementation of revenue of regional government. The study of reason is Chin State is one of least developed states and region in Myanmar. According to UNDP report, Chin state is one of the poorest among states and regions (U. MYANMAR, 2014), then the population is second smallest state in the country ("The 2014 Myanmar Population and Housing Census," 2015). Geographically, in the distribution of business of Chin state is 1.1 percent (CSO, 2016) and the percent is least distribution among the states and regions. In Chin state, there has 55.2 percent (Age group 15-64) of total state population that are economically productive. Moreover, labor force participation rate is 64.8 percent and unemployment rate of the state is 5.4 percent in that population.

3. Methodology

This paper analyzes the secondary data and information from different sources. The study is prepared on the data from the publication by the ministries such as Ministry of Commerce, Central Statistical Organization, Census data and others non-government institution. For the data analysis, the author applies the descriptive methods that to gather and present the data. As a data requirement in this study, multiple sectorial data of Chin State are insufficient that to apply in empirical analysis. Nevertheless, major variables which are vital roles in this study are employed.

4. Conceptual Framework

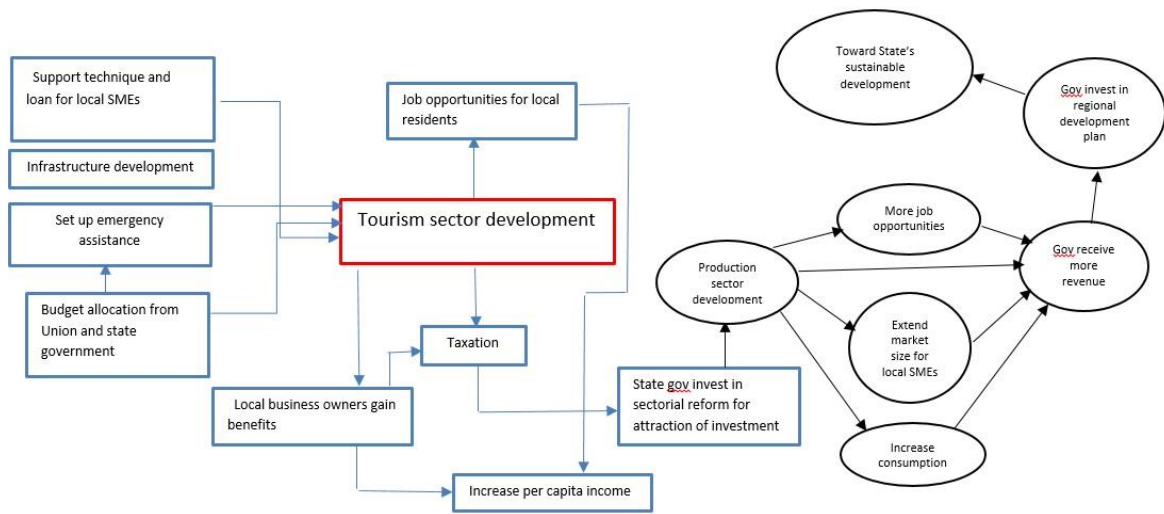
The study investigate the local condition and features of the state, regional government's policy encourage on agro-based and livestock economy, in order to poverty reduction in Chin State and appear to be food security. The community based tourism in Chin State, State government stated it at the objective level that as a policy instrument, in order to reach the mission. Nevertheless, it has been designed as low level prioritization. Following figure show that a conceptual framework on regional economic well-being. Economic well-being can occur in the state if regional government tries to emphasize on tourism sector. It is also the author's proposal for the policy priority. Prioritization on tourism sector, the state can gain the benefit from that sector and can be happen regional economic well-being in the short term, according to the following framework. The author assumes that implementation on community based tourism, can gain the economic benefit faster than implementation on other sectors. Moreover, the community based tourism can encourage the environmental conservation and sustainable development. To progress on tourism sector, regional government must necessary that to implement on basic infrastructure. Infrastructure development will

be necessary not only for tourism sector but also on all sectorial reform. In the infrastructure development, there are multi transportation, electricity, clean waters etc. Additionally, there are necessary that to set up emergency assistance or response to customers in tourism industry. It means that try to support security staffs, well prepare administration, multiple use response channel etc. That arrangement can be bewitching for the local and non-local guests. In the initial stage, there is necessary to consider on local business’s management and other technical resources support by regional government. Regional government can request the necessary financial resources to the union government, it might receive financial resources fully or partially. Alternatively, regional government already formulated a Strategy for the developmental programs for Small and Medium Enterprises in Chin State. In that Development Strategy, Eco and Community Based Tourism is one of the strategy consideration in the Chin State development. But it is not determination on as a priority sector for the state development. Additionally, regional government’s revenue can earn from the taxation on the tourism sector. Regional government can invest the some financial resources to the human resources program for the sustainable development in the state. Tourism sector development can be gain the benefit for the state sustainability in short term and long term.

Author hypothesize that tourism industry can contribute the economic benefit for local residents in short-term (see in detail following figure). Figure (1) show that conceptual map for the possible State’s economy, major thoughts based on tourism industry, there are necessary some financial resources and implementation in order to tourism sector development initially. Chin State government design the development plan and allocate the financial resources to the implementation which support to tourism sector development such as infrastructure development, set up emergency plan and assistance as well. While tourism industry develop, on the other hand, job and market opportunities for the local SMEs and residents consequently. Moreover, Chin State government’s revenue become from taxations (including categories income tax, commercial tax, property tax, consumption tax, etc.). One component of hypotheses is that development of tourism industry lead to effect on rising of individual income or household income. In term of fundamental concept of economics, when household or individual’s income increase, consumption of them go up as will. High or moderate consumption encourage to economic functioning well. When government’s revenue increase, sectorial reform or implementation for attraction of investment (infrastructure development) is being emphasized more. In the diagram, blue color or rectangle box indicate to long term journey of Chin State development. Fundamentally and theoretically, the production sector is one of the economic engine in an economy. Therefore, the author designs the economic development in Chin State, That is production sector lead to contribute to rise up the total output of Chin State’s economy. Development of production sector create more job and market opportunities. Nevertheless, there is necessary to consider protection and recovery design and implementation for sustainable society by Chin State’s government.

In the conceptual framework, the author eliminates the agricultural sector to consider in the Chin State’s economy. In the government’s prior agenda for Chin State, agriculture and breeding sectors are being considered. Because existing agricultural practices lead to deforestation and instability. For the farmers who are from the whole country’s agriculture sector are necessary the technical supports and capitals.

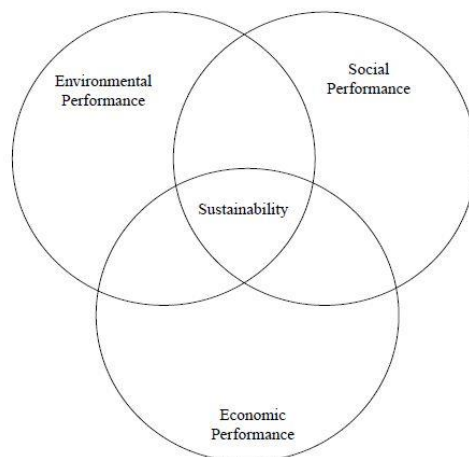
Figure (2) Proposed new strategy for Chin State’s economy



Source: Author’s design

The author employed a concept of sustainable development that is the triple bottom line concept developed by Elkington. It can be considered simultaneously that balances economic, environmental and social goals. The key idea is to suggest that at the intersection of Social, environmental and economic performance affect positively to firms and society (Rogers, 2008). The triple bottom line encourage that to become effect positively on the environmental and society, on the other hand, farms also can gain the reputation. Figure (3) show that the best situation among the areas which are society, environment and business. Every activities lead to sustainability aspect by economically and socially. Nevertheless, organizational behavior and business models are considered that to redesign, in order to equilibrate with this concept.

Figure (3) Triple bottom line

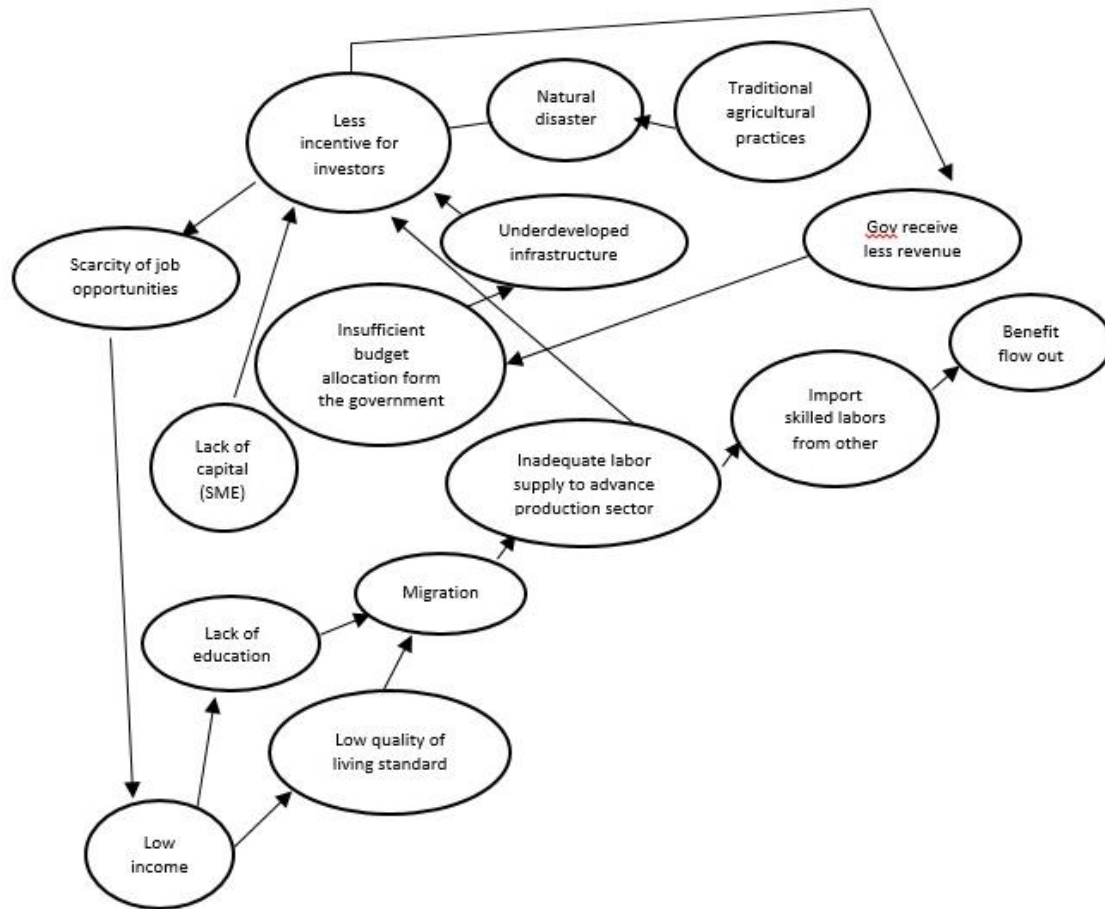


Source: Craig R. Carter, Dale S. Rogers, (2008) “A framework of sustainable supply chain management: moving toward new theory”, International Journal of Physical Distribution & Logistics Management, Vol. 38 Issue: 5, pp. 360-387, <https://doi.org/10.1108/09600030810882816>

5. Problem Mapping

The author presents a mapping for the problems with the following figure. In the figure, *infrastructure* and *natural disaster* are identified as a root cause of the problems in Chin State. Nevertheless, there can be other causes of the problem, occasionally. For instance, *natural disaster* can cause *less incentive for investors*, at the same, *natural disaster* can be effected by traditional *agricultural practices* such as shift cultivation. Some factors are vicious cycle, for instance, lack of investment leads to the state government receive less revenue from the investment; as a consequence, the state government contributes less the financial resources from the revenue. Being less revenue from the investment sector, government is not capable to invest in the infrastructure sufficiently. The problem mapping indicate the causality. Moreover, lack of investment (less incentive for investors) places burden on level of income and Job opportunities, then it encourages the local residents to become as a diaspora. The people seek the opportunities of education and higher living standards outside of Chin State. Also it is said that existing labor force cannot support the production sectors, thus when economic windows open, investment and production benefits flow out from the Chin State, because skilled labor will be imported from other States and Regions by the enterprises for the production sector. The author assumes that infrastructure and natural disaster are primary barriers for the State’s economy, and it is hard to visibly increase individual income of people living in Chin State. Local residents in State, can gain economic benefits slightly from the State’s agenda setting. For reasons for inadequate labor supply to advance production sector (see in figure), lack of skilled labors and then lack of capital that to set up the SMEs in Chin State, there is not much room for entry into the State’s development agenda in short-term setting. Regarding Small and Medium Enterprises, there are perplexing procedures in applying loan for the business. The problem is emphasized after the condition of developed transportation sector. Most of the studying state multidimensional aspects on the current condition of Chin State. In the present study, the author’s major consideration is beyond the period of transportation advancement. The author’s concern is that benefits flow out from the Chin State. Economically, the State production can rise in the multiple sectors; nevertheless, the individual income is not guaranteed that to rise up.

Figure (4) problem mapping of Chin State



Source: Author’s design

6. Brief profile of Chin State

Chin State is located in the northwest of Myanmar and bordering India and Bangladesh with neighboring states and regions of Sagaing region, Magway region and Rakhine state. Its total population is 478,801 and according to following table, second smallest population compared with other States and Regions (Remark: some areas in Kachin State, Kayin State and Rakhine State were enumerated during the census, therefore, the author omitted those States). In Myanmar, the smallest-population state is Kaya state.

Table (1) Distribution of Population by State/Region

State/Region	Total	Male	Female
Kayah	286,627	143,213	143,414
Chin	478,801	229,604	249,197
Sagaing	5,325,347	2,516,949	2,808,398
Tanintharyi	1,408,401	700,619	707,782
Bago	4,867,373	2,322,338	2,545,035
Magway	3,917,055	1,813,974	2,103,081
Mandalay	6,165,723	2,928,367	3,237,356

Mon	2,054,393	987,392	1,067,001
Yangon	7,360,703	3,516,403	3,844,300
Shan	5,824,432	2,910,710	2,913,722
Ayeyawady	6,184,829	3,009,808	3,175,021
Nay Pyi Taw	1,160,242	565,155	595,087

Source: Population and Housing Census of Myanmar, 2014

According to following table, there are 3 Districts, 9 Townships, 40 Wards, 470 Village Tracts, and 1,501 Villages. Haka district is capital of Chin State, but with very small population when compared with the other districts of Falam and Mindat. Mindat district is the biggest district with major economic activities based on the related agriculture sectors. Paddy production is insufficient for Chin population; therefore, in order to fulfil necessary food of 30 percent, the food is imported from other States and Regions.

Table (2) Population of Chin State

Districts	Sub-total population of Districts	Townships	Both sex	Male	Female
HAKA	98,726	Haka	48,352	23,022	25,330
		Thantlang	50,374	24,379	25,995
FALAM	167,578	Falam	41,457	20,350	21,107
		Tedim	87,623	41,927	45,696
		Tonzaung	20,722	10,107	10,615
		Rihkhuadal (ST)	6,620	3,273	3,347
		Cikha (ST)	11,156	5,585	5,571
MINDAT	212,497	Mindat	42,600	19,727	22,873
		Matupi	39,086	18,680	20,406
		Kanpalet	21,493	10,313	11,180
		Paletwa	64,971	31,104	33,867
		Reazu (ST)	12,265	5,471	6,794
		Sami (ST)	32,082	15,666	16,416

Source: Population and Housing Census of Myanmar, 2014

Chin state is terrain and mountainous and its development is under the poverty line. The state is composed of nine townships namely by Kanpatlat, Mindat, Palatwa, Matupi, Haka, Falam, Tiddim, Tonzang and Htantalan townships. In religion, population majority is of Christian affiliation and Chin ethnicity. Most of households' livelihood are farming, agro-based and blue-collar. Paddy production is the major role in Chin State, then maize is second major-production. The following table (3), shows sown acreage in the Chin state of the selected crops of paddy, wheat and maize. In comparison with other regions, Chin State of groundnut, sesame and Pedisein have small-scale acres in plantation. Local farmers exercise shift cultivation technique for agricultural production. Some studies found very small scale of logging due to poor transportation. Furthermore, these studies concluded that there is positive association between mega scale of logging and well-functioning transportation. It means that when mode of transportation was well-functioning, amount of logging also went up.³

³ The Study of border region, Myanmar-India, Than Naing Lin & Zaw Guan, May 2015, ARC-M

Table (3) Sown acreage of selected crops in Chin State (year 2007 to 2014)

	Year	Paddy	Wheat	Maize	Groundnut (Rain)	Groundnut (Winter)	Sesamum (Early)	Pedisein (Greengram)
	Chin State	2007	136095	215	90901	2999	2226	7321
	2008	137803	212	91443	1568	2294	7447	535
	2009	138569	216	91628	1828	2372	7515	594
	2010	138940	205	91719	1737	2431	7604	593
	2011	107723	80	70188	1185	2542	6551	504
	2012	107463	65	69493	1239	2677	6922	498
	2013	101179	154	63618	1398	2996	6567	635
	2014	93377	131	58123	1326	3032	6511	643

Source: Myanmar Statistical Year book 2015

Furthermore, in 2014 data, Chin people's daily income is between 1000 and 1500 kyats approximately⁴. Which is under the international poverty line. The international poverty line is currently defined as 1.90 \$ per person per day using 2011 purchasing power parity (PPP) (United Nations, 2016).

The state is faced with inadequate skilled labor, with many barriers to entry into the industry and workplace because the young labor forces are working in informal economy and the most important factor is migration, the majority of youth move to outside of the state. The sector of small and medium enterprise in Chin State has barriers to access of the financial capital to set up business. Financial inaccessibility is faced by the whole sector of SMEs in Myanmar. In the whole economy, 98 percent of Myanmar's approximately 120,000 registered enterprises are SMEs (Hnin, 2017). In Chin state, nowadays most businesses are small scale. The majority of business is based on agro-economic such as plant, coffee and grape, furthermore, production of wine in Northern Chin State. One major challenge that there is no mega market size for wine product in other States and Regions.

6.1 Border Trade

Cross-border trade place as a key for economic growth. There are 15 border trade points in the whole country. In that number, three border trade points has been operated in Chin State, border of Myanmar-India. The following table shows the volume of export and import from three border trade points in Chin State. In the trade balance, from 2010 to 2013 year, there was no trade deficit, in other words, export volume exceeded the import from the border trade in Chin State. Trade volume of border trade in Chin State, there was small scale when contrasted with trade points in other border trade.

⁴ The Study of border region, Myanmar-India, Than Naing Lin & Zaw Guan, May 2015, ARC-M

Table (4) Border trade points in Myanmar

Border Trade Points with Myanmar ⁵	
Myanmar-China	4 points
Myanmar-Thailand	6 points
Myanmar-Bangladesh	2 points
Myanmar-India	3 points
Total	15 points

Source: Discussion of Pyithuhluttaw

Table (5) Myanmar-India border trade points

Myanmar-India border trade points (Tamu, Rihkhawdar and Thantlang)				
Year	Export	Import	Trade volume (USD currency)	Trade balance
2010-2011	8.28 million	4.52 million	12.82 million	3.75 million (surplus)
2011-2012	8.869 million	6.54 million	15.4 million	2.329 million (surplus)
2012-2013	26.96 million	11.67 million	38.63 million	15.29 million (surplus)

Source: Discussion of Pyithuhluttaw

6.2 Yam plantation in Chin State

Table (6) Yam plantation in Chin State from 2013 to 2014

Yam Plantation in Chin State (2013-2014) ⁶	
Townships	Acres
Taidam	315
Tonzan	1162
Kyikhar	150
Thantalang	235
Flame	65
Raeed	10
Hakha	99
Kanpalat	28
Chin State	2562 cares

Source: Discussion of Pyithuhluttaw

Yam plantation is possible income sources for agro based families. The input cost of the plantation can be estimated at 300,000 kyats (equal with \$221.4)⁷ approximately, the minimum requirement to set up the farming. The profit return is between one million kyats (\$738) and 1.5 million kyats (\$1,107) approximately from the farming. Nevertheless, the quality of product are qualified to reach a criteria of demand from foreign buyers. In order to become a marketable good quality product, farmers faced major constraints in access to financial resources, technical assistance, and access to timely market information. Even though the farmers are under the uncertain market, yam has been planted widely in most townships in Chin State. Ministry of Agriculture and Irrigation has encouraged and assisted technically the farmers to raise the volume of yam production⁸.

⁵ Parliament note, 27th day, 9th regular session, first Pyithuhluttaw, March 3, 2014

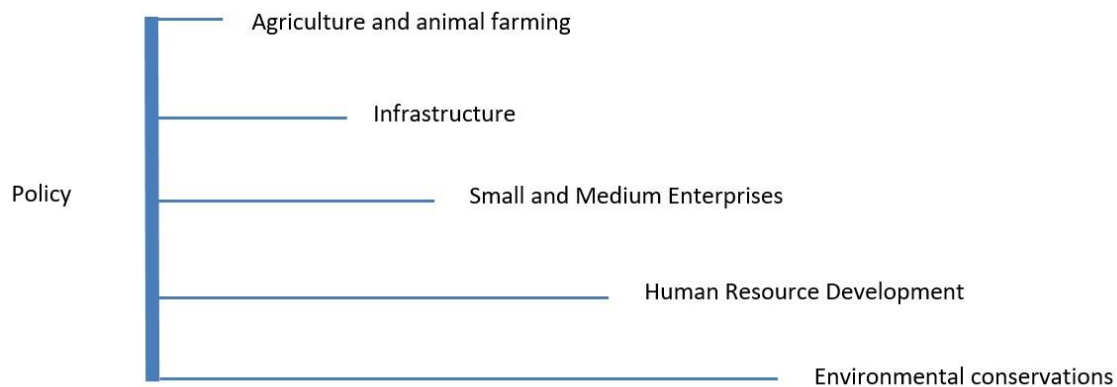
⁶ Parliament note, 35th day, 9th regular session, first Pyithuhluttaw, July 25, 2014

⁷ Exchange rate, \$1=1355 in 1st week of August, 2017

⁸ Parliament note, 35th day, 9th regular session, first Pyithuhluttaw, July 25, 2014

6.3 policy diagram of Chin State

Figure (4) Existing policy of Chin State



Source: Chin stat government

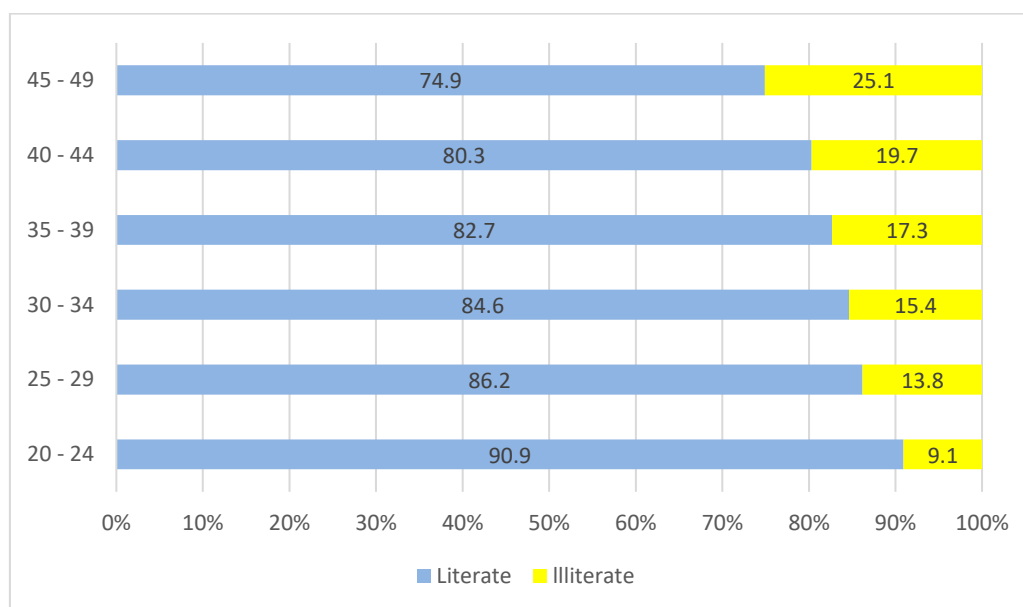
Figure show that prior-policy of Chin State, Agriculture and animal farming are determined as a key prior-policy of all. It is designed by the Chin State government and it is agro based policy prioritization. On the other hand, SMEs and human resources development are targeted to consider as a second priority.

The government determined the objectives, in order to fit with the policy, that to increase the volume of agricultural production, attempt to development on the animal farming sectors, to improve the mode of transportation, easy to access electricity, to promote community based tourism, and etc. The objectives are majorly based on the agro-based sectors.

6.4 Data of Chin State

Following figure (5) show that the percent of literate and illiterate of people in Chin State. In each age group, literate and illiterate percent are indicated separately. In 20-24 age group, 90.9 percent are literate and illiterate are 9.1 percent, it lead to positive for the development of Chin State. In growth theory, education also is one of the production factor of economic growth. The percentage or labor force is potential for Chin State's economy. In 25-29 and 30-34 age groups are also potential that to contribute to the economy. From 20 to 49 age are literate majorly. According to following data, there is no concern that to support skilled labor and to enter to the investments in Chin State, particularly in production sector. Nevertheless, the data become from The 2014 Myanmar Population and Housing Census conducted by the Ministry of Immigration and Population. The census data can only support as a registration and record of the status of education of each member of household. Therefore, it is arduous to imagine the certain number of the people who has been living in Chin State, moreover, some percent of the people migrate to outside. Imagine that if all percentage which is in the following graph exist inside or return to State, the local household and community members will be gained the economic benefit.

Figure (5) Percentage of literate and illiterate in Chin State



Source: 2014 census data of Myanmar

Following table show that the percentage of literate and illiterate of each age groups among the districts which are Haka, Falam and Mindat. Particularly, among the three districts, high percentages of illiterate occur in Mindat district.

Table (7) percentage of literate and illiterate in District level

five-year age groups	Districts in Chin State					
	Haka		Falam		Mindat	
	Literate	illiterate	Literate	illiterate	Literate	illiterate
20 - 24	95.1%	4.9%	96.1%	3.9%	84.1%	15.9%
25 - 29	92.5%	7.5%	93.7%	6.3%	77.6%	22.4%
30 - 34	91.9%	8.1%	92.5%	7.5%	75.2%	24.8%
35 - 39	90.0%	10.0%	90.5%	9.5%	73.2%	26.8%
40 - 44	88.8%	11.2%	88.9%	11.1%	69.4%	30.6%
45 - 49	83.7%	16.3%	84.3%	15.7%	62.4%	37.6%

Source: 2014 census data of Myanmar

Following table (7) show that the number of household members living abroad by country of residence with person and percentage, in the table, majority has been staying in Malaysia and USA. 21.84 percent of total population has been living in abroad, precisely, 14.79 percent and 7.05 percent are male and female in total people who has been living in abroad. In that population, smallest percent occur in Korea. In conversation with some Chin ethnic based Civil Society Organizations supported some related information that most of Chin ethnic has been staying as a refugee life in camps in

Malaysia, a few people stay in Thailand as well as India. Then, they try to move to First World such as US.

Table (8) Former conventional household members living abroad by country of residence with person

	Country of residence										
	Total population	Total	Thailand	Malaysia	Singapore	China	Japan	Korea	India	USA	Other
Male	229,604	33975	436	19,751	168	183	24	56	3,502	7,636	2,219
Female	249,197	17570	152	7,265	1,527	19	20	19	2,378	4,481	1,709

Source: 2014 census data of Myanmar

Table (9) Former conventional household members living abroad by country of residence with percentage

	Country of residence										
	Total population	Total	Thailand	Malaysia	Singapore	China	Japan	Korea	India	USA	Other
Male	100%	14.79%	1.3%	58.1%	0.5%	0.5%	0.1%	0.2%	10.3%	22.5%	6.5%
Female	100%	7.05%	0.9%	41.3%	8.7%	0.1%	0.1%	0.1%	13.5%	25.5%	9.7%

Source: 2014 census data of Myanmar

Table (10) indicate that possible percent of labor force participation, unemployment and employment in Chin State. Author categorize that particular age groups which are from 20 to 49 age. Furthermore, above age groups are assumed that their productivity are possible to contribute into the economy. According to the following table, three fourths of each age group are active economically in Chin State, as well as it is theoretically possible for the economy. Nevertheless, being migration is unable to support to the investment enterprises and production sectors.

Table (11) The ratio of Labor force participation, unemployment and employment in Chin State

Age groups	Employed		Unemployed		Economically inactive		total	total
	Count	Percentage	Count	Percentage	Count	Percentage		
20 - 24	19,956	57%	3,265	9%	11,773	34%	34,994	100%
25 - 29	21,009	68%	1,792	6%	8,076	26%	30,877	100%
30 - 34	20,424	73%	941	3%	6,776	24%	28,141	100%
35 - 39	18,933	74%	517	2%	6,078	24%	25,528	100%
40 - 44	19,029	75%	286	1%	6,123	24%	25,438	100%
45 - 49	16,966	75%	190	1%	5,548	24%	22,704	100%

Source: 2014 census data of Myanmar

Following table (12) expresses that the percentage of industries in Chin State as a categorization. In the table, each industry or sector has been operating in the Chin State. High proportion in existing industries or sectors are agriculture, hunting and forestry, as a 71.2 percent in total. Second largest number, 8.6 percent is transport, storage and communications sector or industries.

Table (12) percentage of industrial categories in Chin State (INSTITUTE, June, 2007)

	Industry code	percent
1	Agriculture, hunting and forestry	71.2%
2	Fishing	0.2%
3	Mining and quarrying	0.8%
4	Manufacturing	1.1%
5	Electricity, Gas and water supply	0.0%
6	Construction	4.9%
7	Wholesale and retail trade, repair of motor vehicles, motor cycles and personal and household goods	2.6%
8	Hotel and restaurants	1.3%
9	Transport, storage and communications	8.6%
10	Financial intermediation	0.0%
11	Real estate, renting and business activities	1.3%
12	Public administration and defense; compulsory social security	2.9%
13	Education	2.5%
14	Health and social work	1.1%
15	Activities of private households as employers and undifferentiated production activities of private households	0.9%
16	Extra-territorial organizations and bodies	0.0%

Source: UNDP, Ministry of National Planning and Economic Development, UNOPS

Table (13) show that distribution of main economic activities of business through States and Regions. In Chin State, major economic activities are electricity, gas, steam and air conditioning supply and construction sector is determined as a second major economic activity in Chin State. Compare with other States and Regions, electricity, gas, steam and air conditioning sectors is second high distribution for Chin State and Yangon region is determined as a first high distribution for electricity, gas steam and air conditioning supply. Construction sectors is third major distribution of economic activities for Chin State, first and second are Yangon Region and Shan State. The data indicate that private enterprises has been operating with above major economic activities in Chin State.

Table (14): Distribution of Business across economic sectors (percentage) (CSO, 2016)

Main Economic activity of business	Kachin	Kayah	Kayin	Chin	Sagaing	Thaninthary	Bago	Magway	Mandalay	Mon	Rakhine	Yan-gon	Shan	Ayeyarwaddy	NayPyi Taw
Mining and quarrying	1.4 %	0.9 %	0.2 %	0 %	0.4 %	56.8 %	5.8 %	0.4 %	26.1 %	3.4 %	0 %	2.2 %	2.4 %	0 %	0 %
manufacture of food products, beverages and tobacco products	1.4 %	0.5 %	1.3 %	1.3 %	16.8 %	4.9 %	11.9 %	10.5 %	12.6 %	2.8 %	5.5 %	9.2 %	7.2 %	11.4 %	2.7 %
Manufacture of textiles, wearing apparel, leather and related products	3.6 %	0.4 %	0.3 %	1.3 %	3.7 %	1 %	2.1 %	8.5 %	46.5 %	0.4 %	0 %	25.8 %	5.4 %	1 %	0 %
manufacture of wood products	0.1 %	2 %	4 %	0 %	7.3 %	14.3 %	4.7 %	0.5 %	17.6 %	6.3 %	1.2 %	21.4 %	13.5 %	5.5 %	1.6 %
Manufacture of paper products; printing and reproduction of recorded media	2 %	0.6 %	0.4 %	0 %	7.8 %	5.8 %	4 %	3.3 %	18.8 %	2.3 %	6.6 %	41.5 %	3.1 %	2.9 %	0.9 %
Manufacture of chemicals and chemical products	2.3 %	0 %	0.4 %	0 %	4 %	0.4 %	0.3 %	9.9 %	45.2 %	0.4 %	6.7 %	22.4 %	6.6 %	0.4 %	1.1 %
Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.9 %	0 %	1.5 %	0 %	0.9 %	2.1 %	0.8 %	2.8 %	2.9 %	1.6 %	0 %	76.3 %	9.5 %	0.5 %	0 %
Manufacture of rubber and plastics products, and other non-metallic mineral products	0.5 %	0.2 %	0.3 %	0 %	2.1 %	13.1 %	0.1 %	2.8 %	5.3 %	64 %	0.3 %	9.7 %	1 %	0.4 %	0.2 %
Manufacture of Basic metals and fabricated metal products, except Machinery and equipment	2.5 %	0.5 %	3.4 %	1 %	6.4 %	2 %	5.8 %	10.1 %	28.7 %	2.8 %	0.8 %	26.8 %	5.6 %	2.5 %	0.9 %
Manufacture of electrical equipment	0 %	0 %	0 %	0 %	2.1 %	0 %	4.5 %	0 %	7.9 %	0 %	7 %	76 %	2.5 %	0%	0 %
Manufacture of Machinery and equipment	2.3 %	0 %	3.8 %	0.7 %	9.4 %	0 %	10.9 %	1 %	28.3 %	3.3 %	0 %	19.2 %	4.4 %	15.5 %	1.2 %

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Manufacture of transport equipment	0 %	0 %	0 %	0.8 %	4.8 %	1.9 %	0.4 %	0 %	37.6 %	0 %	0 %	31.3 %	20.2 %	2.9 %	0 %	
Manufacture of furniture	5.5 %	1.2 %	7.9 %	0 %	15.5 %	4.3 %	2.1 %	1.7 %	7.9 %	5.1 %	1.1 %	32.8 %	12.5 %	1 %	1.4 %	
Other manufacturing; repair and installation of machinery and equipment	1.2 %	0.4 %	1.8 %	0.8 %	9.1 %	4.6 %	7.3 %	8.2 %	19.2 %	2.3 %	5.1 %	22.8 %	9.9 %	5.6 %	1.8 %	
Electricity, gas, steam and air conditioning supply	0 %	0 %	3.2 %	23.4 %	0 %	11.8 %	2.7 %	2.8 %	0 %	8.9 %	6.4 %	38.5 %	2.2 %	0 %	0 %	
Water supply; sewerage, waste management and remediation	0 %	0 %	0 %	0 %	0 %	8.2 %	0 %	72 %	0 %	0 %	0 %	19.8 %	0 %	0 %	0 %	
construction	0 %	1.1 %	0 %	13.1 %	9.5 %	5.3 %	1.4 %	0 %	3.2 %	0 %	1.4 %	28.4 %	24.6 %	0.6 %	11.4 %	
Trade and repair of motor vehicles and motorcycles	4.4 %	1.8 %	2.5 %	0.2 %	7.4 %	6.2 %	4.2 %	10.5 %	26 %	7.3 %	4.2 %	8.9 %	11.6 %	1.6 %	3.2 %	
Wholesale trade (except motor vehicles and motorcycles)	0.7 %	1.1 %	1.6 %	0 %	7.2 %	9.7 %	7.4 %	22.1 %	9.6 %	2.1 %	5.1 %	20 %	7.2 %	3.3 %	3 %	
Retail trade (except motor vehicles and motorcycles)	1.6 %	1.2 %	3.3 %	2.1 %	4.8 %	10.3 %	9.1 %	7.2 %	13.2 %	7.1 %	4.7 %	19.7 %	9.1 %	4.3 %	2.3 %	
Transportation and storage	0.4 %	0 %	1.4 %	1 %	15.4 %	19.6 %	5 %	7.2 %	6.1 %	5.5 %	16.5 %	10.6 %	6.5 %	2.3 %	2 %	
Accommodation	4.3 %	0.6 %	2.7 %	0.3 %	7.3 %	4.2 %	3.7 %	2.9 %	18.4 %	3.6 %	6.4 %	12.2 %	23 %	7.7 %	2.7 %	

Table: continued

Main Economic activity of business	Kachin	Kayah	Kayin	Chin	Sagaing	Thaninthary	Bagong	Magway	Mandalay	Mon	Rakhine	Yangon	Shan	Ayeyarwaddy	NayPyiTaw
Food and beverage service activities	1.6 %	0.6 %	4.3 %	0.6 %	9.5 %	8 %	3.9 %	7.4 %	15.7 %	6.5 %	4.8 %	22.5 %	8.1 %	4.3 %	2.2
Publishing, audiovisual and broadcasting activities	1.5 %	0 %	2.7 %	0.2 %	2.3 %	6.3 %	0.5 %	3.8 %	25 %	0.5 %	25.6 %	8.6 %	22.3 %	0.6 %	0
IT and other information services	0 %	1.3 %	0 %	1.5 %	3.3 %	7.7 %	1 %	2.3 %	0.3 %	4 %	3.4 %	29.8 %	34.7 %	7.3 %	2.9
Real estate activities	0 %	0 %	0 %	0 %	0 %	21.9 %	24.8 %	0 %	0 %	0 %	0 %	41.8 %	11.4 %	0 %	0
Professional, scientific and technical activities	5 %	0.3 %	0.3 %	3.7 %	6.5 %	9.8 %	2.3 %	0.7 %	9.4 %	3.2 %	1.8 %	30 %	14.1 %	9.5 %	3.2
Administrative and support service activities	1 %	1.2 %	0.7 %	0.3 %	5 %	14.8 %	6.8 %	7 %	9.3 %	4.6 %	4.5 %	32.2 %	10.5 %	1.3 %	0.8
Education	3.2 %	4 %	0 %	6.3 %	3.2 %	24.4 %	1.5 %	10.9 %	9.9 %	0 %	0.4 %	33 %	3.3 %	0 %	0
Human health activities	2.1 %	0.7 %	0 %	1.3 %	2.1 %	6.3 %	2.9 %	16.3 %	8.1 %	5.9 %	4.2 %	45.8 %	3.1 %	1 %	0
Arts, entertainment and recreation	1 %	5.3 %	0.3 %	0 %	0 %	32.9 %	7.2 %	0.6 %	5 %	0 %	0 %	23.3 %	21.7 %	2 %	0.7
Other service activities	2 %	0.6 %	3.3 %	0.8 %	1 %	14.1 %	11.4 %	8.2 %	11.2 %	3.9 %	2.1 %	22.5 %	17.9 %	0.6 %	0.4

Source: Central Statistical Organization

7 Finding

The author finds that young labor force of education lead to positive in existing data, other word, larger percent of young population are literate. No objection that it can support to economic growth theoretically. In the actual condition, young population has been migrated from the Chin State. Mode of transportation has been took obviously as a vital role in the economy of Chin State. Border trade sector in Chin State, there has small trade volume when compare with other border trades. The border trade points does not lead to attraction for wide export and import. The volume of agricultural production does not sufficient for export, moreover, insufficient even in Chin State. Therefore, Chin State has been faced with food insecurity, then foods are imported from others regions, in order to fulfill the gap. Furthermore, major farmers in Chin State has been exercised traditional management in farming. The exercises leads to deforestation and encourage to nature disaster, such as landslide precisely. Other research finding said that logging has been happened for household used, not for commercial.⁹

Existing policy and development strategy of Chin State government has been formulated with long term vision. Nevertheless, the challenges are insufficiency which are productive labor force and infrastructure for production based economy in long term. Agriculture sector has been designed as a top priority of policy in Chin State, it can be considered that encourage on deforestation. The reason become from agricultural practices and management in present. Furthermore, there is no competitive power in the markets for agricultural products. Even food security for the state, 30 percent of food security are imported from other states and regions.¹⁰

Number of business are situated in agriculture sector, on the other hand, SMEs sector are necessary to grow. As a scenario, regional government has no expectation that to receive the revenue from local business sectors. Financial resources for multi-development has been relying on the union budget and international aid.

One obvious factor that natural beauty remains to open up the state’s economy. It is potential and supportive factor on the tourism sector. There has interesting cultural and traditional sites for tourism. One of the attraction is richest ethnic diversity and dialects in Chin ethnic communities.

8 Conclusion

In conclusion, existing data and documents encourage narrowing down of policy formulation. Existing data such as labor force participation, migration rate domestic and international, low level of capital and low number of private sectors, are insufficient to conclude that agriculture and livestock sectors are key priority for the Chin State in the short term. Current situation leads to the worsening off condition for sustainable development, and precise, formulation of prioritized policy which are agriculture and animal farming lead to environmental damage under the situation which are lack of labor force, poor power to compete with other in the market, lack of agricultural techniques (more prefer traditional practices). Author conclude that in order to see the sustainable economic growth, tourism sector might be key policy consideration for Chin State in short term. In the long term economic, the policy which has been formulated by the Chin State government are possible to link with production or industrial sector. Possible framework has already been developed by author in

⁹ The Study of border region, Myanmar-India, Than Naing Lin & Zaw Guan, May 2015, ARC-M

¹⁰ Government of Chin State’s presentation

above section. The key idea has been considered with a concept of sustainable development, according to the concept, stakeholders who are from three components, the natural environment, society, and economic performance. Nowadays, the world has been demanded a new concept of order such as a “sustainable development”. The problem has been solving economically and it is an insecurity and instability, then that community is forced to isolate, according to “Majority rule”. Only one economic factor has not been considering as a key solution for the ultimate development or escape from the poverty since many development experiences happened in the world.

For the Chin State’s development, tourism sector might be entry point that to restart engine of Chin State’s economy in short term. The benefit which will gain from the sector, encourage to equitable wealth distribution among States and Regions in short term. Negative externalities can be silent environmentally and socially. The revenue of Chin State government can grow dramatically, then the regional state actors can jump to production sector or industry based economy, in order to implement long term strategy. In the same time, government can invest financial resources into human resources and environmental protection as well as sector-wide reform.

In the long run strategy, Chin State can be escaped from poverty and can emerge equable resource distribution among the state.

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