THE PAO IN MYANMAR: 
A VALUE CHAIN ANALYSIS IN A REGION NEW TO TOURISM

By
SONJA FROMMENWILER

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Peter Varga, Ph.D

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EHL HONOUR CODE
As a student at Ecole hôtelière de Lausanne, I uphold and defend academic integrity, academic rigour and academic liberty as core values of higher learning. I attest, on my word of honour, that work submitted in my name is my own work, and that any ideas or materials used in support of this work which are not originally my own are cited and referenced accordingly.
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EXECUTIVE SUMMARY

After 50 years of international boycott and isolation, Myanmar is currently undergoing a major transition: since the starting of the reform process in 2010, the country has not only attracted a vast number of foreign investors and companies, but also an increasing number of travellers exploring the country’s cultural and natural treasures. The popular region of Inlay Lake represents a concrete example of how increased tourism might affect the lives of its habitants, especially with regards to ethnic minorities. The PaO people living in the hilly areas surrounding Inlay Lake have so far been excluded from tourism development; however, through the expected increase in visitor arrivals tourism is forecasted to spread out further in the region.

Numerous researchers have addressed the phenomena tourism in the past. As such, the world of scholars is divided into a part favoring tourism development for its positive economic benefits to the host country and those saying tourism exposes the local people to the complex system of a globalized world. In addition, the development sector has increasingly started to use the concept of the value chain theory. Initially coming from the business environment, applying the value chain theory in the development world enhances the understanding why developing countries have benefitted less from the global value chain compared to industrialized countries. By adding the stakeholder theory and the triple-bottom line approach, this research paper created a modified tourism value chain tool. Through an ethnographic approach, including qualitative research methods such as semi-structured interviews and participative observations, enough data was collected during the field research in Myanmar to answer the following hypothesis: Applying the modified value chain theory as a tool to identify appropriate tourism products and/or services within the PaO community living on the Eastern hillside of Inlay Lake will lead to a better understanding of the study setting in order to make proposals with potential for further development. The information collected enabled a thorough analysis of the macro and micro environment of the study setting, as well as a comparison of the various stakeholders involved within the value chain of the PaO people. Ultimately, strategies for the development of the tourism products and/or services could be proposed given the possible risks and benefits for the PaO.

The thorough analysis has also shown, that the modified tourism value chain analysis is however not enough in order to answer the research question whether tourism can be used as a development tool for the PaO people. Tourism has shown to be a far more complex phenomenon; it takes more than a simple theoretical framework to answer such a question. Further research regarding the viability of tourism as a community-development tool is therefore suggested.
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Currency: 1'000 MK = 1$ (exact rate: 994 MK = 1$ in March 2014)
**List of Abbreviations**

ADB = Asian Development Bank  
ASEAN = Association of Southeast Asian Nations  
CLMV = Cambodia, Laos, Myanmar and Vietnam tourism cooperation  
CPI = Corruption Perceptions Index  
CSO = Civil Society Organization  
CBO = Community Based Organization  
DMO = Destination Management Organization  
FAO = Food and Agriculture Organization of the United Nations  
FDI = Foreign Direct Investment  
GDP = Gross Domestic Product  
GIC = Golden Island Cottages Hotel group  
GIZ = Gesellschaft für Internationale Zusammenarbeit  
ICIMOD = International Centre for Integrated Mountain Development  
IID = Institute for International Development  
ILO = International Labour Organization  
IMF = International Monetary Fund  
KTGA = Kalaw Trekking Guides Association  
MK = Myanmar Kyat  
MoHT = Ministry of Hotel and Tourism  
MSF = Médecins Sans Frontières  
NGO = Non-Governmental Organization  
NLD = National League of Democracy  
PDN = Parami Development Network  
PNO = PaO National Organization  
PNA = PaO National Army  
PNLA = PaO National Liberation Army  
RTDMP = Regional Tourism Destination Management Plan  
SAZ = Self-Administered Zone  
SLORC = The State Law and Order Restoration Council  
SME = Small and medium enterprises  
SPDC = The State Peace and Development Council  
SSA = Shan State Army  
UN = United Nations  
UNDP = United Nations Development Program  
UNFPA = United Nations Population Fund  
UNWTO = United Nations World Tourism Organization  
WCED = World Commission on Environment and Development
1. Introduction

Myanmar is currently undergoing a major transition: having been boycotted by the International community for nearly a quarter century due to various human rights and political issues, it is now appraised as one of the last frontiers in Asia for foreign investment (Barta, 2012).

The military government surprised the world by announcing a series of changes with regards to political rights, the release of political prisoners and major reforms to attract more FDI (Euromonitor International 2013; McKinsey Global Institute, 2013; PwC, 2012). As a consequence, the international community (mainly the US and the EU) banned the economic sanctions put on the country, leading to an investment boom in Myanmar that has never existed before (Kauffmann Bossart, 2013).

The past international boycott also lead to a poor record in terms of travel and tourism: the number of visitors remained quite low compared to their neighbors and averaged at around 30’000 tourist arrivals in the early 90s (Hall & Ringer, 2000). With the beginning of the reform process in 2010, visitor arrivals in 2012 surpassed one Million for the first time (Ministry of Hotels & Tourism, 2013) and according to Euromonitor International (2012), leisure arrivals are expected to grow by 81% until 2016. This explosion in tourist arrivals requires careful planning and most importantly, a regulatory framework in order to ensure a smooth transition (Nilsen, 2013). In the frame of the overall strategic reform efforts by the Ministry (supported by international experts), several workshops regarding responsible tourism have been organized in the past, leading to the publication of Myanmar’s Responsible Tourism Policy in 2012 (Häusler et al., 2012). This initial tourism policy was followed by the publication of the Tourism Master Plan in June 2013 (Ministry of Hotels and Tourism, 2013), setting a first regulatory framework by defining strategic objectives for the tourism industry with help of foreign governments, institutions and independent consultants.

However, this quick change does not come without challenges: lack of hotel beds as demand is surpassing supply, lack of skilled human resources, ongoing political instability, weak legal and legislative framework to conduct business in, high corruption rate and poor infrastructure are just a few of the many structural issues the country is still facing (Institute for Human Rights and Business, 2013; Myint, 2013; Thett, 2012). How Myanmar will handle these aforementioned issues is a question that arises among many investors and researchers. More importantly, the focus should also lie on Myanmar’s people and how traditional minorities will be handling these upcoming social-cultural changes.
1.1. Goals and objectives

The popular visitor destination Inlay Lake can be seen as a concrete example of the consequences of increased tourism activities. Among the top four destinations in Myanmar for tourists to visit (Ministry of Hotels & Tourism, 2013), the fragile ecosystem shows first signs of degradation, which poses a severe problem for the people directly dependent on the lake through tourism or agriculture (Ingelmo, 2013). A proposed strategy therefore by IID is to spread the tourism activities more equally in the region and extend them to the hilly areas surrounding the lake (IID, 2012). The PaO people living on the hills surrounding the Lake have so far been missed out from tourism activities and still struggle to find economic integration (Munz & Molstad, 2012). As the area has been restricted until recently, the PaO preserved their traditions well with little interaction with foreigners. Traditionally farmers, the question arises how the recent opening towards tourism will impact their lives and traditions. Moreover, existing literature argues whether tourism can actually be used as a community-development tool (Hwang, Stewart & Ko, 2011; Mitchell & Ashley, 2010; Yang & Wall, 2009). In the past, a number of international organizations have put their focus on pro-poor tourism by combining different concepts from the business environment in order to reach a triple-bottom line approach balancing benefits for society, economy and environment (M4P, 2008; ODI, 2007; UNTWO, 2005). Applying this theoretical background to the study setting, this paper aims at assessing the tourism potential in the newly opened PaO area next to Inlay Lake. In the center of this study are the PaO people and how they can benefit most from a potential development of tourism services and/or products.

Given all the previously mentioned facts and upcoming changes in the country, the author would like to tap into a field of research where little investigation has been done so far.
2. Myanmar – a country in transition

In the following chapter the author intends to give an insight into Myanmar’s past history and recent development, the study area Inlay Lake and the study population PaO.

It is important to point out that the following numbers and statistics rely mostly on data available from Euromonitor International, the WTTC and other international organizations, which may not always be accurate as data collected by the government varies widely, especially with regards on tourist arrivals (Henderson, 2003; Hoagland, 2013). Due to the turbulent past, several departments within the government have collected data with contradictitious results and mostly on paper (Rieffel, 2012). Also the data regarding Myanmar’s demographic is a pure approximation, as the only censuses since Myanmar’s independency were conducted in 1973 and 1983 (UNFPA, 2013). In addition, discussing Myanmar’s past history and current evolution comes not without any emotions and biased opinions from various sides.¹ The author therefore intends to recite the most neutral description of events in order to reflect an unbiased opinion.

¹ Various discussions with Dr. Andrea Valentin between 06.03 - 04.04.2014, Myanmar

![Figure 1: The location of Myanmar](image)

From (PwC, 2012 p.34)
2.1. Location

Myanmar, formerly known as Burma,2 is a resource-rich country located in Southeast Asia. It neighbors Thailand and Laos to the east, China to the North and India and Bangladesh to the West whilst having the Bay of Bengal and the Andaman Sea to the South. From its highest mountain Hkakabo Razi (5,881 m) located in the North bordering China and India, Myanmar stretches all the way down to a nearly 3’000 km long coastline at the Indian Ocean (FAO, 2003). Covering an area of 678’030 km², Myanmar is measured the biggest country in Southeast Asia (Baumgartner, Leuthold, & Predota, 2003). The climate is generally considered as tropical and humid, with the rainy monsoon season taking place between June and September (Central Intelligence Agency, 2014), followed by milder temperatures and less humidity from December to April.

Myanmar is currently divided into 14 administrative divisions and States, which are historically based on the different ethnicities of the country. Although Yangon has been the former capital between 1948 and 2005 (Encyclopaedia Britannica, 2013) and is still considered the biggest city in the country with approximately 4 Million inhabitants (PwC, 2012), the country’s capital got relocated to Na Py Taw in 2005 for still unknown reasons (Institute for Human Rights and Business, 2012).

2.2. Political environment

2.2.1. A colonial past and a turbulent aftermath

Although Myanmar’s rich history dates 5’000 years back including different kingdoms and rulers (Henderson, 2003), only the recent history starting at the British colonization will be considered in this part. In order to understand Myanmar’s current situation, it is crucial to examine its prolonged history in detail.

2.2.1.1. British Colony

The British Annexation was carried out in three wars (referred to as the Anglo-Burmese wars) between 1824 and 1886 (Smith, 1994) and as of 1886, Myanmar formed part of the province British India (Gosh, 2008). The British governed the country as two separate territories: ‘Ministerial Burma’, areas dominated by the Burman majority and ‘Frontier Areas’, where most ethnic minorities lived. In ‘Ministerial Burma’, the traditional Monarchy was replaced by a limited form of parliamentary home rule; the ‘Frontier Areas’ on the other hand were left under traditional, local form of ruling (Gosh, 2008; Smith, 1994). This early division of the

2 See Appendix 1: Myanmar or Burma?
country is important to mention, as it amplified ethnic differences (Walton, 2013), leading to ethnic tensions and conflicts within the country up until today. After chaotic years including Japanese and British forces during the Second World War, clashes and fights between different national groups (Smith, 1994), Myanmar eventually gained independence on January 4, 1948 and its first constitution was enacted (Gosh, 2008).

2.2.1.2. Parliamentary democracy 1948-1962
As the constitutional leaders failed to alter a political culture and strengthen the young State, ethnic and communist groups rebelled against the center and took up their arms on the countryside (Prasse-Freeman, 2012). Driven by their nationalist desire to protect the country’s sovereignty from insurgencies, some military elites took advantage of the State’s political weakness and seized power in 1962 through a military coup (Gosh, 2008; Smith, 1994).

2.2.1.3. The Socialist Period 1962-1988
The new military dictatorship pursued a policy of isolation and a centralized economy based on socialist characteristics (Henderson, 2003). The leading general believed that the military was the only power which could hold such an ethnically divers country together and introduced the ‘Burmese Way to Socialism’, which led to a long lasting economic crisis turning the once richest country in Southeast Asia to one of the poorest (Ghoshal, 2013).

2.2.1.4. The military junta's attempt to open up 1988-2010
The growing dissatisfaction in the country led to an uprising of protests in 1988, which were brutally forced down by the new military government, the SLORC (Henderson, 2003). The SLORC tried to introduce a market-oriented system and held national elections in 1990. The opposition NDP won 80% of the votes under the lead of Aung San Suu Kyi, who was later on put under house arrest. In addition to the political oppression, human rights violations such as forced labor and land confiscation continued, especially against ethnic minorities (United Nations Special Rapporteur, 1994; International Labour Organization, 2000). Nevertheless, SLORC’s successor - the SPDC - tried to move the state-controlled democratization process forward by launching its 6-step ‘roadmap to democracy’ in 2003 (Nilsen, 2013).

3 Aung San Suu Kyi is the Laureate of the 1991 Nobel Peace Prize and leader of the NLD, the main opposition party.
2.2.2. Recent Development

After turbulent years marked by the Saffran revolution in 2007, the disastrous cyclone Nargis in 2008 and the step down of the General who led the country for 19 years, new president Thein Sein started his reform process by releasing Aung San Suu Kyi after 15 years of house arrest among 650 other political prisoners, relaxing censorship and starting ceasefire agreements with all the major ethnic fight groups (Institute for Human Rights and Business, 2013; Nilsen, 2013; Prasse-Freeman, 2012). The formation of 14 regional assemblies, the bicameral Assembly of the Union (consisting of a House of Nationalities and a House of Representatives with a combined 659 seats) made it for the first time possible for ethnic minorities to have a say in local politics (Ghoshal, 2013). Although 25% of the seats are automatically reserved for the military as well as key ministries, the bi-elections from April 2012 represented another milestone in the reform process as it allowed Aung San Suu Kyi to run for parliament together with her party, where they won 43 out of 45 available seats (Ghoshal, 2013). Myanmar’s political institutions are still in their infancy and democratization is a long process; however, the next national elections in 2015 are expected with great eagerness, as they will determine which way Myanmar will be taking in this democratization process.

2.3. Economy

Through five decades of mismanagement and international isolation, Myanmar’s economy is still lagging behind its neighbors (Goshal, 2013; Kauffmann Bossart, 2013) and ranks 149 out of 186 countries on the Human Development Index (UNDP, 2013). However, as the government is determined to focus on economic reforms and poverty reduction, several multilateral agencies such as the World Bank, the Asian Development Bank and the IMF have re-established their presence in Myanmar to provide policy advice, technical assistance and loans (The Economist Intelligence Unit, 2013). A few multinationals such as Pepsi, Coke or Chevron have returned to Myanmar in 2012 (Mintel, 2012) and many leading international oil companies are bidding on Myanmar’s oil and gas rights (Makan & Peel, 2013). In the same year, the authorities changed the formerly pegged currency to a managed floating regime and with the help of the IMF, several trade harming practices such as multiple currency rates and other restrictions are scheduled to get eliminated (Euromonitor International, 2013). The easing of FDI restrictions on private land use should further

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4 The Saffran Revolution in 2007 refers to the uprising of thousand of monks across the country, protesting against the increase of commodity prices and political oppression (Gosh, 2008)

5 See Appendix 2: Myanmar’s economic development compared to other Asian nations
boost growth as well as the long awaited tax and investment reform (McKinsey Global Institute, 2013; PwC, 2012). Although the country’s economy is currently depending mostly on energy and agriculture (Euromonitor International, 2013), the prospects for Myanmar are positive due to its young labor force, promising tourism industry and its strategic location between the big Asian economies China and India (Tarling-Hunter, 2013). Its real GDP is forecasted to grow by +6.3% in 2013 and on an annual average long-term rate (2014-2020) by 6.7% (Tarling-Hunter, 2013).

Nevertheless, looking at the actual values, Myanmar has the lowest GDP per Capita of all ASEAN countries (McKinsey Global Institute, 2013). Its business environment is still highly inefficient due to bureaucratic hurdles, widespread corruption (ranked 157th on the CPI out of 175 countries (Transparency International, 2013)), rising inflation and very poor infrastructure and transportation possibilities (Grant, 2012; Institute for Human Rights and Business, 2013; The World Bank Group, 2013). The Institute for Human Rights and Business (2013) continues by pointing out the inexistence of major foreign banks in the country and the fact, that local banks do not posses modern facilities such as ATMs, computerized processing or cheque payments. In addition, the economy is still highly controlled by state-owned firms or so-called cronies,7 which makes transparency and responsible business conduct arduous (Thett, 2012) and foreign investors insecure (Barta, 2012). The lack of a solid banking system and high demand by foreign investors and development agencies led to rocket-high real estate prices in Yangon (comparable to office space prices in New York), making it a highly speculative market with jade traders funneling their profits into it (Song, 2013).

2.3.1. Tourism Industry

2.3.1.1. Opportunities

In the 90s the military junta realized the importance of foreign tourism spending for the country and thus, in 1990 the ‘Myanmar Tourism Law’ was passed and the ‘Ministry of Hotels and Tourism’ was set up two years later in order to encourage foreign direct investments (Thett, 2012). This was evidenced by the launch of 1996 as Visit Myanmar Year with the ambitious goal of reaching half a million visitors (Henderson, 2003; Info Birmanie, 2011). But international sanctions and boycotts continued, leading to a poor record of tourist arrivals below 10’000 per annum8 (Hall & Ringer, 2000). The travel and tourism industry’s total contribution to GDP is still quite low nowadays ranking Myanmar 180 out of 184 countries in terms of size; however, in

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6 Myanmar got admission into ASEAN in 1997 (Henderson, 2003)
7 Cronies are private business men from the local elite and tend to have close ties to the government (Thett, 2012)
8 See Appendix 3: Tourist Arrivals to Myanmar 1983-1995
terms of forecasted growth for 2013 the country is ranked 26th (WTTC, 2013). Since the country’s opening, tourist arrivals increased drastically reaching almost 400,000 international visitors in 2011 (The World Bank Group, 2014) and according to ASEAN statistics, Myanmar experienced for the first time in history more than 1 million visitors in 2012 and the highest growth rate within ASEAN (Ministry of Hotels & Tourism, 2013). The difference in arrivals is due to the fact, that officials also count same-day border crossings in their statistics (Ministry of Hotels & Tourism, 2012; Myint, 2013). In terms of visitor profile by Air, Leisure and Business Arrival had an almost equal share of 51% vs. 49% in 2011 (Euromonitor International, 2012) and is mainly dominated by Asian visitors (64.1%) followed by Western Europe (21.9%).

This rapid growth of tourist arrivals called for promoting a responsible tourism policy (Euromonitor International, 2012), which the government tried to underline with its Responsible Tourism Plan, Tourism Master Plan and the addendum Policy on Community Involvement in Tourism (Häusler, Kyi Kyi Aye, & Thida Aye, 2013; Häusler et al., 2012; Ministry of Hotels and Tourism, 2013).

2.3.1.2. Challenges

This significant increase and growth potential poses several challenges for the industry: Myanmar has officially only 787 hotels, motels and guesthouses with 28,291 rooms and although 56 new hotels were due to open in 2013, hotel room prices in Yangon quadrupled within a year, due to the high demand and limited supply (Ministry of Hotels & Tourism, 2013; Kauffmann Bossart, 2013). In addition to the insufficient number of International standard hotels, the industry suffers from a lack of skilled labor and tourism professionals, as there is only one official training center for tour guides in the country (Myint, 2013; Thett, 2012). Thett (2012) further criticizes the government for preferring volume over value, which in his opinion is evidenced through the CLMV tourism cooperation from 2012, as it aims to welcome 25 million visitors to the region including 4 million ‘exchange visitors’ to each country over the period of 2013-2015.

2.4. Social-cultural environment

According to the UNFDP, Myanmar had an approximate population of 59.13 million in 2009-2010 of which 30% are aged between 10-24 years (UNFPA, 2011), giving Myanmar an advantage thanks to its young human force (Euromonitor International,

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9 See Appendix 4: Myanmar’s Tourism Industry compared to the World
10 See Appendix 5: International Tourist Arrivals to Myanmar 1994-2011
11 See Appendix 6: ASEAN International Visitor Arrivals
12 See Appendix 7: Visitor Profile (Nationality) by Air in 2012
An estimated 1/3 of the population lives in cities, with the majority of people living in the rural countryside with poor access to functioning infrastructure (PwC, 2012). More than 29% of the rural and 16% of the urban population live in poverty. Limited access to health facilities due to geographical barriers and poverty pose additional difficulties to fight the increasing risk of HIV and drug problems in the country (Euromonitor International, 2013; UNFPA, 2011). Although the government promised to prioritize spending in education and health facilities (Rieffel, 2012), Myanmar is the only developing country in Asia where defense expenditure outrages health and education expenditure combined (Ayres & Freire, 2012; The World Bank Group, 2013). During the various military rulers, the education system got gradually decimated when students were viewed as a threat to political stability (Rieffel, 2012).

### 2.4.1. Ethnic minorities

Myanmar is considered as one of the most ethnic divers countries having more than 100 different ethnicities (Gosh, 2008; Ministry of Hotels & Tourism, 2013; Smith, 1994), of which the Bamar or Burmese form the majority (70%), followed by the Shan (9%), Karen (7%), Rakhine (4%), Mon (3%) and other ethnic groups (Chaturvedi, 2012; PwC, 2012).

Ethnic tensions between the different groups and the government are still existent nowadays and might cause a serious threat to the country’s further development (McKinsey Global Institute, 2013; Prasse-Freeman, 2012). Many ethnic conflicts find their roots in the early division of the country during the British ruling, as it set the path for different social and economic development in the ‘Frontier Areas’ and ‘Ministerial Burma’ (Gosh, 2008). Walton (2013) even claims the British to have intensified the ethnic distinctions by starting to classify and differentiate them from each other. Shortly after the country’s independence, Myanmar has been in a constant state of armed conflict with more than 30 different ethnically designed armies fighting against the government and among each other (Nilsen, 2013). The situation has been highly complex since then: several ceasefire agreements got signed in the mid 90s, followed by a new wave of rearming after the 2010 elections as many armed groups refused to get put under the government’s rule (Chaturvedi, 2012). Some ethnic conflicts remain unresolved with fighting continuing along the border area (Nilsen, 2013). Those groups having turned into political parties encountered the obstacle of different views and agendas among themselves (Chaturvedi, 2012; Nilsen, 2013). In addition, the ethnic and religious clashes in Rakhine State between Buddhists and Muslims still remain an issue of international attention (Shibani, 2013).

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13 See Appendix 8: Health, Education and Defense expenditure
2.5. Inlay Lake (study setting)

2.5.1. Location

Inlay Lake is located in Southern Shan State on 900m above sea level, 660km North of Yangon (Inle Lake Myanmar, 2014; Okamoto, 2012). Situated between two mountain ranges over 1500m, the Lake belongs to the Nyaung Shwe Township. The town Nyaung Shwe near the Lake is considered as a gateway to the various sites on the 110-169km² (depending on season) measuring Lake (Inle Lake Myanmar, 2014; Munz & Molstad, 2012). The township counts approximately 160’000 people and 444 villages (IID, 2012; Ingelmo, 2013), of which 15 villages are located on the lake (Soe, 2012).

The second biggest lake of Myanmar is a major tourist attraction and among the four most popular site visits according to the Ministry of Hotels & Tourism (2013). Tourists enjoy the lake’s unique serenity and as it is located within the Indo-Burma Biodiversity hot spot, the lake is considered among one of the 34 richest and most threatened wildlife on the planet (Ingelmo, 2013). It currently has been listed as ASEAN heritage area and is being assessed for qualifying as an UNESCO International Biosphere Site heritage (Haynes, 2014). In addition, the region is also home to many different ethnic groups such as the PaO, Intha and Shan people, who have made the lake an income source since several decades already (Ingelmo, 2013).

The extremely rich and fertile soil provides together with the lake a base for local agriculture, mainly fruits and vegetables as well as fish from the lake (Munz & Molstad, 2012). A special case poses the concept of the floating gardens in the Lake, largely used for tomato cultivation (Okamoto, 2012). As it is a highly productive and economically beneficial practice, Inlay Lake has become a major producer of tomatoes supplying the whole country (Ingelmo, 2013, Soe, 2012).

However, increased tourism and agricultural activities have left its mark on the lake’s fragile eco system: several reports in the past (Ingelmo, 2013; Soe, 2012; Sidle, Ziegler, & Vogler, 2007; Than, n.d.) have pointed out the shrinkage of the lake over

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14 See Appendix 9: The concept of floating gardens
the recent years. Most of the reports agree that sedimentation is a major cause for the Lake’s shrinkage, which increased due to several, human-influenced activities. As such, Ingelmo (2013) refers to four main reasons: deforestation used for wood fuel by local communities, floating gardens, increased residential/tourism development and mining. More specifically, Than (n.d.) argues that through the poor sanitary system, polluted water reaches the lake frequently as well as the high use of chemical fertilizer for the floating gardens imposes another risk for the Lake. Several development agencies and organizations (ADB, UNDP, IID) have recognized the importance of the Lake’s conservation for the overall regions’ economy and communities and have implemented a few projects with long-term objectives (IID, 2012; Olding, 2013).

2.5.2. Tourism activities

Just as Myanmar, Inlay Lake is currently a seasonal destination with peaks in March and October, and a low period during the rainy season in May-September (Munz & Molstad, 2012). Due to its mountain range, the lake area benefits from cooler temperatures than Yangon. Inlay Lakes attracts international tourists as well as domestic visitors, as the region is considered to be one of Myanmar’s main Buddhist pilgrimage sites because of its ancient pagodas and monasteries (Soe, 2012). The working paper by Munz & Molstad (2012) estimates the number of annual visitors in 2012 to be roughly 300’000, consisting of 100’000 international tourists and 200’000 domestic visitors. There are approximately 50 hotels, resorts and guesthouses available in the Lake area, and within the region at least 150 licensed and unlicensed accommodation facilities, leading to a total of at least 3’500 guest rooms in the region in 2012 (Munz & Molstad, 2012). As it is not allowed to build any new hotels on the lake according to authorities (Munz & Molstad, 2012), a special new hotel development zone in Nyaung Shwe has been selected in order to accommodate the increasing number of visitors to the region.

Current tourist activities include boats tours on the Lake, visits to local craft shops and further in the hills, it is possible to participate in trekking tours such as from Kalaw to the western edge of the Lake. However, as Munz & Molstad (2012) correctly point out, it is necessary to combine all the different tourism activities under a common framework to ensure a sustainable use of it whilst benefitting all stakeholders involved and with the goal of preserving the lake for future generations. Additional events in the area include the yearly hot air Balloon festival and the Pagoda festival (Ministry of Hotels and Tourism, 2013).
2.5.3. Ethnic Minorities in the study setting

2.5.3.1. The Intha

The Intha, which translated means “sons of the lake” (Soe, 2012), are the biggest Ethnic Group\(^{15}\) in the area and reside at the Lake watershed (IID, 2012). The Intha are famous for their unique leg-rowing style and traditionally, their main means of transport has been by small, wooden boats using this unique rowing style (Okamoto, 2012). In recent years long tail boats with engines came into use, carrying local passengers and tourists as well as agricultural products. Fishing is the traditional livelihood of the Intha and nowadays, the floating gardens represent the main source of income for many Intha households (Soe, 2012). The Intha have also increasingly benefitted from the tourism activities in the Lake due to their immediate proximity, e.g as local tour guides on boats or hotel owners.

2.5.3.2. The PaO (Study population)

The PaO are considered the second largest ethnic group after the Shan People in Shan State and belong to one of the four sub groups of the Karen (Baumeister, 2012; IID, 2012; Nilsen, 2013). The PaO live mostly of agriculture (90%) and official statistics count approximately 300’000 people in the country, according to their own estimates between 400’000-600’000 (IID, 2012). Other sources go as far as citing 1 to 2 million PaO people scattered across the country; especially in Mon, Karen, Karenni and Shan State (Chann, 2004).

According to anthropologists, the PaO are of Tibeto-Burmese origin and settled in Mon State around 1000 years BC (Chann, 2004). In 1057 however, the King of Pagan defeated the Mon King and as a consequence, the PaO people dispersed from Mon State to other States, many of them to southern Shan State. According to their own tales, the PaO people believe to be descendants of a father who was a supernatural weiza\(^{16}\) and a mother, who was a dragon (Thanegi, n.d.).

\(^{15}\) See Appendix 10: Population Breakdown Nyaung Shwe Township

\(^{16}\) According to old Myanmar folklore tales, a weiza is a supernatural being (Chann, 2004)
This legend can still be observed in today’s appearance of the PaO as the men have their turban rolled around their heads like a weiza warrior, whereas the ladies make the turban resemble a dragon, hence the name dragon ladies. Besides these colorful turbans in red, orange or green, the traditional PaO dress consists of dark, indigo jackets, combined with a skirt for women and loose baggy pants for men (Thanegi, n.d.).

In terms of recent history, the PaO people are one of the first ethnic minorities in the country to have reached a cease-fire agreement with the government. They signed a ceasefire agreement with the SPDC in 1991 and since then, the PNO has cooperated closely with the ruling government which eventually led to the recent creation of three Self-Administered Zones in Shan State (Baumeister, 2012; Nilsen, 2013). Through a self-recognized need to require external assistance, the PaO leadership has received the guidance of IID in 2011 in order to produce a Strategic Development Plan (IID, 2012). The potential of developing capacity for tourism was also recognized, although some PaO expressed their reservation towards tourism as it has not been one of their traditional occupations (IID, 2012). There are now two Pa-O SAZ’s on the eastside of the lake and another one encompassing the western hills of the lake.17 Another SAZ belongs to the Danu people, located in the northern area of the studied region.

2.5.3.3. Others

Besides the Intha and PaO, several other ethnic minority groups are also present in the studied region such as the Danu or Palaung. This is especially seen in the Western hill area where many different minorities live next to each other (Haynes, 2013). The eastern hillside however is assumed to be more homogenous and mostly PaO.

17 See Appendix 11: Map of Inlay Lake and surrounding areas
3. Tourism as a development tool

In this chapter, the author aims to explain the different theories regarding tourism and sustainable tourism development, before going into more detail about community based tourism. This approach is complemented with the value chain theory, a framework coming from the business environment and relatively new to the tourism development world. However, it poses great potential for benefit for the different stakeholders within the tourism value chain.

3.1. Tourism Development

Tourism, which from early age has been dominated as a sacred good by western industrialized countries (Smith, 1989), is becoming more and more to a global phenomena. As it has been simultaneously a contributor to and part of the process of globalization, it encourages the interconnectedness of people and cultures (Hannam, 2002; Sofield, 2001). With the rise of the middle class in emerging markets, tourism has experienced a constant growth and accounts nowadays for 9% of the global GDP (UNWTO, 2013). According to the UNWTO (2013), for the first time in history the number of tourist arrivals crossed 1 Billion in 2012, which compared to the 25 Million tourists in 1950 represents an increase of more than 4’000%. This increase in number of tourists might be explained by changes in: consumer lifestyle behavior, demographics, disposable income, the ease of travel thanks to advanced technologies as well as new and cheaper means of transportation (Hodari, 2014). These trends may have led to shifts in contemporary tourism.\textsuperscript{18} According to Mowforth & Munt (2009), tourism used to be previously dominated by mass tourism, which changed towards a more individual and flexible form of tourism. However, tourism in itself still remains a very complex and dynamic system (Schianetza, Kavanaghb, & Lockington, 2007).

The complexity of the phenomena tourism has divided the tourism research world into those favoring tourism development for its economic prospects, also referred to as the advocacy platform (Sofield, 2000). On the other hand, the cautionary platform takes a critical viewpoint on the net benefits of tourism as they warn from the various side effects tourism development might pose: acculturation, negative impacts on the environment, economic exploitation or social problems in the host country are just few of those (Nash, 1996). Critics such as Parnwell (1998) argue tourism development draws local, rural villages into the complex system of a globalized economy, corrupting the current social-value system with new forms of livings. It is hence

\textsuperscript{18} See Appendix 12: Shifts in contemporary tourism
crucial to define the right tourism strategy, which minimizes the negative outcomes whilst maximizing its positive impacts for the host country as well as the visitor.

3.1.1. Types of Tourism

Smith (1989) distinguishes between Ethnic tourism, Cultural tourism, Historical tourism, Environmental and Recreational tourism. Graburn (1989) however, defines Ethnic tourism as a combination of Nature and Cultural tourism. He further supplements that various combinations between the different types of tourism are possible for a specific destination. Nash (1996) defines tourism from an anthropological viewpoint: tourism belongs to the field of sociocultural tourism, which focuses on peoples’ behavior in integrated systems of social life.

In recent years, the importance to preserve the intrinsic values of tourist sites has aroused and the concept of sustainable cultural tourism has emerged (McKercher & du Cros, 2002). Sustainable cultural tourism is defined as “a partnership that satisfies both tourism and cultural heritage management objectives” (McKercher & du Cros, 2002). Although many scholars have addressed the issue of sustainability in tourism, there exists “no widely accepted definition of sustainable tourism” (Swartbrooke 1998, p.13 in Johnston & Tyrrell, 2005). One of the most accepted definitions of sustainable development derives from Our common future, also known as the Brundtland Report: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). The UNTWO delivers an even more detailed description of sustainable tourism development being: “Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (UNTWO, 2005).

It is important to note that this definition takes two facts into account: first, to analyze the impact of tourism on economy, society and environment (also referred to as the triple-bottom line approach (Tyrell, Paris, & Biaett, 2013)). And second, it highlights the importance of the four key stakeholders involved – the visitors, the industry, the environment and the host communities. Other researchers (Schilcher, 2012; Yang & Wall, 2009) suggest adding the government as an additional force, especially in countries with a long history of centralized government ruling, which is the case for many in Southeast Asia (Sofield, 2001, 2008).

3.1.2. Stakeholder Participation

However, as correctly pointed out by Johnston & Tyrell (2005), in terms of tourism development it might be difficult to find a consensus among the various stakeholders involved on what the current needs are. These needs might differ from group to group
and sometimes, even clash or contradict each other (Yang & Wall, 2009). Especially in countries with a centralized government and a history of suppression towards minorities, community empowerment through tourism might be challenging and conflict of interests might arise (Sofield, 2008; Song, Liu, & Chen, 2012). Despite the potential of conflict of interests among the various stakeholders, it is crucial to first consider the different needs of the various stakeholders involved. Stakeholder theory has its origin from the business environment by Freeman (1984), stating that in order to optimize a firm’s processes they must understand the different interests of the firm’s stakeholders as well as their power relations to each other. A stakeholder can be defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984).

Applying this theory in a tourism context it can be concluded that for a successful implementation of sustainable tourism development in a community, stakeholder involvement and support is a key factor (Byrd, 2007). Broadly said, the principal stakeholders in tourism can be identified as the tourist and the host (Parnwell, 1998). Between these two main actors, different layers of support agencies and institutions exist such as hotels, tour operators etc (Parnwell, 1998). More specifically, Yang & Wall (2009) differentiate between four main stakeholder groups: government, tourism entrepreneurs, tourists and ethnic minorities. According to McKercher & du Cros (2002), those four main stakeholders have an immediate and direct interest into the site. In addition to the aforementioned primary stakeholders, Saftic, Težak, & Luk (2011) also add secondary stakeholders to the group having an indirect interest into the tourism site. In the following paragraph, each stakeholder group will be explained in more detail.

### 3.1.2.1. Primary Stakeholders

**Government**

The government acts on different levels as a planner, coordinator, regulator and investor in terms of tourism development (Yang & Wall, 2009). By promoting a nation’s distinctiveness, the government tries to define its own national and cultural identity and to interconnect to the rest of the world through tourism (Henderson, 2003; Sofield, 2001). This may lead to cultural commodification and the incorporation of a mainstream culture as the government wishes to transmit a certain image or cultural behavior (folklore, customs) to the outside world (Nash, 1996). Especially in developing countries, governments may lack the expertise to realize the importance of stakeholder involvement in the decision-making process and hence, disregard community-participation issues (Koutra & Edwards, 2012).
Tourism Entrepreneurs

Tourism Entrepreneurs include hoteliers, tour agencies and operators as well as tour guides, may it be local or foreign based. Holding the key economic power, tourism entrepreneurs from the private sector play an important role for providing the region with jobs and economic power (Haynes, 2014). It is said that one job in the core tourism industry creates an additional one and a half job in (secondary) tourism related industry (Bolwell & Weinz, 2008). Yang & Wall (2009) unveiled in their paper that entrepreneurs play a dominant role in defining which aspects of the ethnic culture should be revived and preserved for commercial reasons.

Tourists

According to Smith (1989) “...a tourist is a temporarily leisured person who voluntarily visits a place away from home for the purpose of experiencing a change.” Tourists are not a homogenous stakeholder group (Sofield, 2000), as they consist of international tourists as well as domestic tourists and further on of different types of travellers (FIT, groups, business). As a consequence, their needs and expectations are not homogenous. However, Yang & Wall (2009) assume that the type of tourist traveling to rural areas in Asia generally seeks the authentic, local experience of the host community.

Ethnic minorities/communities

In a research undertaken by Yang & Wall (2009) in a rural village in South China, they unveiled that ethnic minorities and rural communities face difficulties to cope with modernization and integration within a market economy. Especially elderly people tend to be concerned about the changes and preservation of their customs, whereas the younger generation’s concerns lies in the need of making a livelihood (Yang & Wall, 2009). Ethnic minorities sometimes have a limited understanding of the dynamics of the tourism industry and lack resources and confidence to raise their concerns and work as equal partners with other stakeholders (Koutra & Edwards, 2012).

3.1.2.2. Secondary Stakeholders

In addition, McKercher & du Cros (2002) suggest adding another stakeholder group having an indirect interest into the site, consisting of NGOs, CSOs, tourism development agencies and other research organizations. Linkages and integration of their plans and policies are crucial; however often absent as each agency sometimes works in its compartmentalized silo (Abdulla, 2013).

Most scholars thus agree that high involvement and consultation of all stakeholders, in particularly ethnic minorities, during project planning and implementation phase is
crucial in order to ensure long-term success and sustainability of the tourism development project (Black & Wall, 2001; McKercher & du Cros, 2002; Rocharungsat, 2008; Yang & Wall, 2009). Hwang, Stewart, & Ko (2011) further suggest that it is critical to understand the residents’ attitudes and behavior towards tourism development. Hence, local control in the planning, development and maintenance of tourism sites is key to the success of sustainable tourism development (Wallace & Russel, 2004).

3.1.3. Community empowerment through Tourism

Many scholars (the advocacy platform) have acknowledged the positive contribution tourism might have towards community empowerment, due to economic benefits (labor, higher income), to raise awareness (promotion tool for minorities, e.g. revival of ceremonies), to receive higher governmental support (conservation of sites, improvement in infrastructure) and increased sense of community identity and solidarity (Hwang, Stewart & Ko, 2011; Yang & Wall, 2009).

But ethnic minorities are also very vulnerable towards the negative side effects of tourism: little experienced with the dynamics of tourism, local communities might be an easy target to fulfill external aims by the government (e.g. create a certain, stereotypical image for promotional purposes) or by private and/or foreign investors, who care little about the net profit towards the community (Nash, 1996; Parnwell, 1998). The so-called multiplier effect appraised by many economists poses the risks of benefitting purely the local and foreign-based elites and not the actual community (Nash, 1996; Sofield, 2000). As a response to the polarized arguments of the advocacy and cautionary platforms among tourism researchers, new and alternative forms of tourism arose (Sofield, 2000). These alternative forms of tourism hold many labels such as alternative tourism, green tourism or community-based tourism. The concept of community-based tourism (CBT) emerged to ensure that local communities receive the main benefit of tourism and most importantly, have an active stake in the decision-making process (Rocharungsat, 2008). Many CBT projects have been implemented by NGOs and external donors where communities own and/or operate tourism facilities (Mitchell & Ashley, 2010).

On the other hand, some scholars have also criticized the community-based tourism approach for its lack of economic factor analysis (Haynes, 2014; Sofield, 2000). For instance, opportunity costs and an understanding of the wider market dynamics need to be taken into consideration as well (Ashley & Mitchell, 2008). Mitchell & Ashley (2010) have been criticizing that many CBT projects struggle to achieve break-even and as a consequence, do not manage to direct sustainable and meaningful benefit flows to poor communities. Many community-based tourism projects have been
implemented purely for the sake of it, without taking the actual demand side into account (Haynes, 2014). As ICIMOD (2011) stated in their report: "...the stronger the equitable involvement of the private sector, the more sustainable growth and poverty reduction can be achieved, as it is driven by the market rather than by development incentives.” It is therefore important, to look at tourism from the triple-bottom line approach by taking all stakeholders and the wider market dynamics into account (Tyrell, Paris, & Biaett, 2013). In practice though this is not always possible as the case from Laos shows: an external development agency tried to implement a community based trekking project and struggled due to misperception of assigned responsibilities of the different stakeholders (Schilcher, 2012).

As previously mentioned under stakeholders, the challenge is to ensure a triple-bottom line in a fast changing tourism sector with different stakeholders having various interests.

3.2. Tourism Value Chain

The previous section discussed the need of ensuring a triple-bottom line approach, where the local communities are the main people to benefit from tourism. However, the CBT approach lacks a certain economic dimension and proper market analysis in terms of demand and supply (Ashley & Mitchell, 2008). As a consequence, a new approach must be found which combines the previously mentioned pro-community dimension with the dynamics of a modern market economy. The value chain analysis as a tourism development tool might represent an acceptable alternative to the traditional CBT approach.

Over the past few years, an increasing number of researchers have shown interest into the dimensions of the tourism value chain (Song, Liu, & Chen, 2012). The tourism value chain is a concept derived from the business environment: Michael Porter (1985) first introduced the value chain theory in order to optimize production within a firm by identifying all the various actors along the value chain. By analyzing a firm in its context and by looking at how a product moves from its production site to the final consumer (vertical linkage), possible bottlenecks can get identified to ultimately increase the firms effectiveness and contribute to a better economic development (Núñez & Sievers, 2011).

However, in the last two decades this concept has been instrumentalised by the developing sector (Ashley & Mitchell, 2008; FAO, 2007; ILO, 2011; UNWTO, 2006) in order to understand why developing countries have benefitted less from the global value chain compared to industrialized countries (Hoermann et al., 2010). Within the United Nations, ten different agencies are currently using the value chain approach as
a development tool and formed, in order to cooperate better among them, an informal UN value chain development group (Stamm & von Drachenfels, 2011). Apart from the UN, ICIMOD has also been a leader in this field of research by analyzing how rural mountainous communities could benefit better from the value chain through more effective integration. This approach offers the possibility to identify leverage points within the chain that can be addressed to increase the producer’s economic return and reduce leakages throughout the chain (Hoerman et al., 2010). In order to turn the traditional value chain theory into a pro-poor approach, horizontal aspects such as poverty, gender and environmental considerations have to be added. The aim is to identify a balance between poverty reduction, economic growth and environmental protection. It is hence not sufficient, to only look at the vertical linkages (as the traditional value chain theory suggests), but also take the horizontal aspects and its impact on the value chain into account (Stamm & von Drachenfels, 2011). This broad definition of the value chain does not only take the activities of one single firm into account, but also all other linkages from the raw product to the final consumer and beyond (M4P, 2008).

**Figure 3: Mountain specific Value Chain Framework by ICIMOD**
From Hoerman et al., 2010
3.2.1. A theoretical framework

The value chain theory adapted by ICIMOD focuses (just as the traditional theory) on tangible products produced by the rural communities. The Overseas Development Institute (2007) shows in their report that the value chain theory can be extended to include services within the tourism industry as well. By looking at the different segments where tourist expenditure happens (accommodation, shopping etc), it is possible to identify points for inclusion of the community within the value chain and more importantly, increase their share of it (ODI, 2007).

The value chain analysis can also serve as a tool to describe the interrelations between a range of functional activities, service providers, customers, supporting institutions and supply chains (Ashley & Mitchell, 2008). As ODI (2007) points out, governance of the value chain is an important feature of the analysis, meaning that supporting institutions and the policy environment need to be taken into account as well. Song, Liu, & Chen, (2012) added the role of intermediaries such as tour operators or travel agencies as a third component to the tourism value chain governance, as they act as a bridge between tourism service/product and tourist. In addition, governance has also to be looked at from a social and environmental facet. The development of a value chain may put pressure on natural resources or affect social ties and traditional norms (M4P, 2008).

3.2.1.1. Value Chain Selection

In a first step, the right value chain has to get selected whilst taking specifies of the studied rural place into account (Ashley & Mitchell, 2008). These specifies represent a broad outline of the tourism sector which includes a thorough demand and supply analysis of the regional tourism industry, a summary of key tourism figures, current flows of pro-poor income and potential barriers constraining flows to ‘the poor’ (Ashley, 2006).

In ICIMOD’s approach, products already get pre-selected and suggested for value chain improvement. The products then get rated according to the mountain specific attributes in order to determine their potential for development under the given constrains related to mountainous regions (Hoerman et al., 2010). These mountain specific attributes are related to environmental and geographical characteristics or social composition of the community (Hoerman et al., 2010).

Once the specifies of the studies place are knows, this diagnosis will help us identifying where to intervene in the value chain (Ashley & Mitchell, 2008).
3.2.1.2. Value Chain Analysis

In a second step, the selected value chain has to get analyzed (Ashley & Mitchell, 2008). According to Hoerman et al. (2010), this step forms the central part of any value chain development initiative as it identifies leverage points for interventions. This is done by:

- Mapping first the overall chain structure (key steps and actors, flows of products, value added etc)
- Detecting power relations and owners of key productive resources (water, land etc)
- Followed by an assessment of the attributes needed (skills, age, location, gender etc) in order to participate in the chain.
- In addition, possible socio-environmental risks as a consequence of the commercialization need to get classified as well.

3.2.1.3. Identifying Strategies and assessing risks and benefits

Ashley & Mitchell (2008) suggest after the value chain analysis to identify market-based solutions, followed by an assessment of the proposed solutions. Hoerman et al. (2010) describe the assessment as "...prioritizing strategies according to the prevailing mountain specifies". The previously determined leverage points need to get addressed by the right strategy through a thorough risk and benefit assessment.

In a value chain analysis, a possible strategy might be ‘upgrading’, which simply means producers move up the value chain (Choudhary, Ghosh, Chauhan, Bahti, & Juyal, 2013). For new entrants into the value chain, Ashley & Mitchell (2008) identified four possible strategies: 1) expansion of overall tourism value chain, 2) expansion of specific parts, 3) introduction of new links in the value chain, 4) reduction of barriers to entry.

3.2.1.4. Implementation of Value Chain Development Strategies

The implementation of the previously identified value chain interventions requires a concrete action plan (Hoerman et al., 2010).

3.2.1.5. Monitoring and Evaluation

In a final step the performance of the value chain needs to get measured and evaluated (Ashley & Mitchell, 2008). This step is also crucial in order to measure the project’s success and possible changes which occurred due to the intervention.
3.2.2. Modified Value Chain

The previous literature has shown the five basic steps in a VCA as seen in figure 4.

![Figure 4: Basic Steps in the traditional Value Chain Analysis](Created by the author from Hoerman et al., 2010)

However, as the author is not intending to actually implement the selected strategies due to limited resources, the value chain has to get adapted to the researcher’s feasibility. As a consequence, the value chain analysis got reduced to the first three steps. In addition, as various literature regarding the value chain analysis has been consulted (Ashley, 2006; Ashley & Mitchell, 2008; Hoerman et al, 2010; M4P, 2008), the author created a modified value chain analysis consisting of three steps whilst including the various criteria of the aforementioned literature. The need to create a modified value chain analysis emerged as some of the described approaches above do not fully apply to the study region. For example, Hoerman et al. (2010) only take tangible products into account, whereas Ashley’s (2006) value chain leaves out important criteria specific to mountaineous regions.

3.2.2.1. Value Chain Selection

The attributes of the studied location by Hoerman et al. (2010) will be renamed to Macro environment and reduced to the three following criteria:

- Environmental/geographic characteristics (e.g. remoteness, agriculture, seasonality)
- Social characteristics (e.g. demography, schools, village structure)
- Economic characteristics (e.g. employment sector, income)
The **Micro environment** of the studied place will also be assessed. This derives from Ashley's (2006) tourism industry analysis, where the demand side and the supply side get evaluated:

- Demand (e.g. type of tourist, number, average spend, seasonality)
- Supply (e.g. type of business, size, number of people employed)

After the Macro and Micro environment analysis, potential tourism products and/or services can get identified for further sub-value chain analysis.

### 3.2.2.2. Value Chain Analysis

In Hoerman's et al. VCA, a major part consists of identifying key actors and their power relationships. As already covered in Chapter 3.1.2. Stakeholder Participation, relevant stakeholders in the following categories will get identified. The aim is to research their power relations and trust level among each other as well as their interest and decision-making authority with regards on the potential development of the previously identified sub-value chain.

- Government (e.g. Union/State/Township level, political parties)
- Tourism Entrepreneurs (e.g. local business men, hotels, restaurants)
- Ethnic Minorities/communities
- Other organizations (e.g. NGOs, CSOs, CBOs)

### 3.2.2.3. Identifying Strategies and assessing risks and benefits

In the third step, possible strategies on how to implement the identified products or services will be proposed followed by a risk and benefit assessment for the studied people. Following the literature review, it is hereby crucial to verify that the proposed strategies will respect the triple-bottom line approach.

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**Figure 5: Modified Value Chain Analysis**

3.3. Conclusion on the Tourism Value Chain theory as a development tool

As seen before in the first section Tourism development in order to ensure a sustainable tourism development in the host country it is crucial to apply the triple-bottom line approach, which consists of an assessment with regards on its economic, societal and environmental implications (UNWTO, 2005). In addition, stakeholder theory showed that an equal involvement of all relevant stakeholders is important for the success of a new tourism development project. Primary stakeholders got identified as the government, tourism entrepreneurs, tourists and ethnic minorities as well as Secondary stakeholders being international or national NGOs, CSOs or CBOs. Especially with regards on local host communities, the focus should be based on the possibility of their empowerment and development through tourism. The challenge is hereby to ensure the right balance between the three axes of the triple-bottom line as well as between the various interests of the stakeholders involved.

The Tourism Value Chain theory emerged as a recent assessment tool in response to the traditional community-based tourism approach, as the latter one leaves out important economic factors (Haynes, 2014). By applying the value chain theory, it is possible to firstly assess the present involvement of the host community within the tourism value chain and then, by identifying leverage points to recommend specific actions which will result in a better involvement of the community within the tourism economy, whilst taking the societal and environmental consequences into account. By identifying the different power relations of the key stakeholders along the chain, suggestions can be made in how to achieve a balanced power relationship for a positive tourism development.

In summary it can be concluded that various research has been conducted so far regarding sustainable tourism development under the umbrella of labels such as community-based tourism, ethnic tourism or eco tourism (Rocharungsat, 2008; Sofield, 2000). This paper will take a different approach by implementing a business concept within the tourism development sector.
3.4. Research question and hypothesis

The previous section has discussed various concepts of tourism and the new emerging trend among various development agencies to focus on the value chain theory as a tool for poverty reduction and higher involvement of the poor. The modified value chain was identified as a valid tool to analyze the current degree of involvement of the PaO people within the tourism chain.

From the section about Myanmar’s current transition from isolation towards an open market economy, it became evident that the increasing number of tourist arrivals to the country might pose some challenges, as the development of infrastructure, education, health and banking facilities is not happening at the same speed. A few scholars have dedicated research regarding Myanmar’s recent political change (Ghoshal, 2013; Kauffmann Bossart, 2013; Meyer & Thein, 2014; Nilsen, 2013); however, little has been researched so far regarding Myanmar’s current tourism development. Most South and Southeast Asian tourism research about Myanmar dates back from pre-2011, discussing the political situation with regards on human rights violations, economic sanctions and the tourism boycott by most western countries (Hall & Ringer, 2000; Henderson, 2003; Smith & Duffy, 2003; Sofield, 2000, 2001). Following the country’s political and economic opening in 2011, some scholars and NGOs acknowledged the recent changes in the country by illuminating tourism development in critical reports and suggesting a careful approach (Info Birmanie, 2011; Thett, 2012). Nevertheless, the question is not whether to encourage tourism in Myanmar or not, but rather how to handle its tourism development in a responsible manner. As the country analysis has shown, tourism arrivals will increase even more in its near future (Grant, 2012). Hence, the aim of this paper is to brighten up a region, where little research has been done regarding its huge tourism potential and the possible implications on local ethnic minorities.

3.4.1. Defining the Research question

Through several discussions with Myanmar tourism experts via email and Skype during the preliminary research phase, it became clear that the popular Inlay region in South Shan State might pose an interesting study topic, especially with regards on the PaO people living there. The international research and consultation organization...
IID,\textsuperscript{20} which has been active in the study setting through several past projects,\textsuperscript{21} became a main source of information during the preliminary research phase. According to various local stakeholders as well as IID staff members and other international tourism experts\textsuperscript{22} a noteworthy need has been recognized regarding the PaO living on the Eastern hillside of the lake to conduct a tourism value chain analysis. As most of the area has been restricted for foreign tourists until recently (Haynes, 2014), little scientific research has been done so far regarding its tourism potential. The aim is to build on the previous research and workshops done by international organizations regarding community involvement (Haynes, 2013; ICIMOD, 2013, Munz & Molstad, 2012) and to propose a specific framework for a better community integration within the tourism value chain. The communities to be studied are the PaO people living on both hillsides of the lake.

This conclusion led to the following research question:

Can tourism be used as a viable community development tool with regards on the PaO people living in the Eastern hillside of Inlay Lake?

In order to answer this rather broad research question, the following sub questions need to be asked:

- What is the current involvement of the PaO people within the tourism value chain (Macro and Micro environmental mapping)?
- What is the perception of the PaO people regarding tourism development?
- Who are the relevant stakeholders and decision-makers in the study setting?

Deriving from this research question and the sub questions, the following hypothesis will be used in order to analyze and ultimately answer said research question:

\textit{Applying the modified value chain theory as an assessment tool to identify appropriate tourism products and/or services within the PaO community living on the Eastern hillside of Inlay Lake will lead to a better understanding of the study setting in order to make proposals with potential for further development.}

In addition, parallels to the Western hillside will be drawn to detect similarities or areas of cautiousness.

\textsuperscript{20} See Appendix 14: IID: profile and role
\textsuperscript{21} See Appendix 15: Chronology of events so far
\textsuperscript{22} Interview with Arild Molstad on 02.01.2014, via Skype
4. Research Design

This chapter aims to explain and justify the chosen research methods. In a first part, the theoretical background of the chosen methods will get justified, followed by an elaboration of the actual field trip to the study setting.

The field research was complemented by the researcher’s activities for IID. IID has worked in the past on numerous projects involving the PaO in the study setting. The launch of the new RTDMP project23 converged not only content vice with this research paper, but also time vice. As a consequence, the researcher had a chance to intern for the RTDMP project during the field trip.

4.1. Qualitative Research

In order to collect the data needed for a tourism value chain analysis, participatory observations, semi-structured interviews and workshops were chosen as appropriate tools to gather information.

Qualitative research is especially useful when trying to understand a complex issue involving a wide range of stakeholders (The World Bank Group, n.d.). It emphasizes on understanding actions, problems and processes within the social studied context from the viewpoint of its participants by collecting data about activities, events, occurrences and behaviors (Phillimore & Goodson, 2004). Qualitative research reflects a ‘slice of life’ from the study setting and hence, the research design emerges and changes in the course of the fieldwork (Jennings, 2010). Tourism development in Myanmar can be considered as such a complex issue where qualitative methods are most suitable in order to understand its multiple facets. Another reason for choosing qualitative methods is simply because obtaining reliable quantitative data in Myanmar is difficult.

4.1.1. Ethnography

The aim of this paper is to understand the current involvement of the PaO people within the tourism value chain, which requires a deep understanding of their social cultural context. Within the field of qualitative research, this scheme can be considered as an ethnographic approach, as “it represents a dynamic picture of the way of life of some interacting social groups” (Burns, 2000). In Ethnography, research is undertaken in its natural settings in order to understand the processes and social

23 See Appendix 16: Objectives of RTDMP 2014
phenomena within the studied group (Jennings, 2010). The study of a social phenomenon in its everyday context can also be categorized as holism (Blomberg, Burrell, & Guest, 2002). As Burns (2000) suggests, the social-cultural context of the study setting cannot be left out as the actions of the individuals are highly motivated by events within the larger whole. Hence, the researcher carried out a field trip to the country between the 06.03 and 04.04.2014 in order to understand its social-cultural context.

However, qualitative research in tourism has also been criticized for its lack of generality and oversimplifying research methods (Phillimore & Goodson, 2004). Another risk when using qualitative methods poses the fact on how to judge whether the responses gathered through interviews and observations are reliable and valid or not (Burns, 2000). This risk can get minimized by utilizing various methods of assessment or investigations - also referred to as triangulation - in order to detect a constant pattern and validity within the responses (Burns, 2000). Jennings (2010) even suggests instead of referring to reliability and validity in qualitative methods, to use terms such as trustworthiness, authenticity and ‘goodness of fit’.

4.1.2. Methods

According to Jennings (2010), the main techniques used in Ethnography are participant observations and interviews. In addition, focus groups might also be used as Jenning (2010) suggests using multiple methods in Ethnography.

4.1.2.1. Research Methods I: Participatory Observations and Focus Groups

Fieldwork and participant observations are the main methods associated with ethnographic research and consist of different levels of participation and observation of cultures (Jaimangal-Jones, 2014). According to Burns (2000), in participant observation the researcher tries to reconstruct the daily activities of the people being studied in field notes taken on the spot. As a participant observer, it is important to be socially skilled and aware of the sensitivities being studied (Blomberg, Burrell, & Guest, 2002), as the researcher's presence might influence the actual study setting.

As the study topic converged partly with the RDTMP project by IID, the researcher had the opportunity to form part of the RDMP team and enjoyed the privilege of assisting to various discussion groups and stakeholder meetings organized by IID. These activities were especially important in order to observe the needs and wants of the different local stakeholders involved, as well as to assess the overall macro environment of the project. As suggested by Chambers (1994), this approach has its roots in the participatory rural appraisal techniques, where collective research is done through meetings and having the locals do much of the investigations and the outsiders having the role of facilitators. By forming focus groups the researcher can
determine the attitudes and values of locals towards a tourism specific topic, such as tourism development (Jennings, 2010).

4.1.2.2. Research Methods II: Semi-structured Interviews

In addition to the previous two methods, semi-structured interviews were also conducted during the field research. Semi-structured interviews are fluid in nature and follow the thinking process of the participant, whilst the researcher has a list of issues in order to ensure the focus of the conservation (Jennings, 2010). A clear advantage of semi-structured interviews is the flexibility it provides, especially with regards to more sensitive topics. It also reflects the people’s perspective rather than the perspective of the researcher being imposed (Burns, 2000).

On the other hand, this also imposes the risk of not receiving enough information, as the quality and amount of information given largely depends on the interviewee and the researcher’s capability to detect leads and elaborate upon (Jennings, 2010). However, when doing ethnographic field work one needs to keep in mind that if the discussion happens to stir away to issues more important to the interviewee, this should be seen as an opportunity to learn more about the community although slowing down the research process (Blomberg, Burrell, & Guest, 2002).

4.2. Field trip to study setting

The field trip to Myanmar can be divided into two parts: in the first part, the researcher mainly supported the RDTMP project team on the various meetings and stakeholder visits. This was followed by a period of individual field research to the PaO areas. For a detailed plan of the whole field trip, please refer to Appendix 17 Work plan field research Myanmar.

Figure 6: Field trip to the study setting
4.2.1. First Part: With the RDTMP project team

The initial work with the RDTMP team started in IID’s office in Yangon with various administrative and workshop preparation tasks, which were crucial in order to understand the project scope and each team member’s responsibility. Team leader Haynes and the other team members gave important inputs and suggestions regarding the author’s own research and a first work schedule for the field trip was developed. During the field trip to the research region, the author also participated at various meetings and events organized by IID and the RDTMP team.24 The researcher acted as an observer during these events and when required, also as a facilitator or participant during group discussions.

4.2.2. Second Part: Individual research25

The author’s individual field research emerged in the process of talking to various stakeholders during the first week in Inlay Lake as more information became available through local inputs. This also conforms to the literature, as in ethnography studies the research process itself leads to a clearer formulation of the problem by discovering new directions and questions (Burns, 2000). Thanks to these various stakeholder visits in Inlay Lake and meetings organized by the RDTMP team, the researcher discovered that significant help could get received from the Golden Island Cottage, as it is a hotel group wholly owned by the PaO people. Hence, the first trekking trip to the Eastern hillside was organized and conducted by GIC.

The second trekking trip in the Western hillside was organized upon initiative by Alex from KTGA, who also attended the Multi-Stakeholder Discussion Group Meeting.

4.2.2.1. Eastern hillside

After discussions with the GM of GIC Khun Maung Ngwe, he proposed two experienced guides for the first trek to the eastern hillside as well as PaO villages worth visiting due to their handicraft production. Although little known, the 2day/1night trek done by the researcher from Inlay Lake to Kekku is an official trek offered to tourists by GIC. The trekking distance is estimated at around 35km from Nampan to Kekku and included an overnight stop in the village Hti Ne on top of a hill. Both trekking guides Khun and Aung26 were of PaO ethnicity and also acted as translators for the researcher. On the trek to Kekku and with increasing amount of information, it was decided that it might also be worth visiting Taunggyi afterwards - the capital of Shan State – as both the GIC and PNO have their head quarter there.

24 See Appendix 18: Summary of events organized by IID and Researcher’s role
25 See Appendix 17: Work plan Field research Myanmar
26 See Appendix 19: Profile of the two PaO guides
4.2.2.2. Western hillside

Alex, who was also a participant at the Multi-Stakeholder Group Discussion Meeting in Nyaung Shwe, organized the trek from Kalaw to Inlay Lake. Thanks to his support, two senior trekking guides from KTGA led this second trek; Koko during the first day and Sanny the following two days until Inlay Lake. The distance of the 3days/2night trek was estimated at around 60km. As either Koko nor Sanny were of PaO ethnicity, Aung from the first trek accompanied the researcher on this trek as well, in order to act as a translator for the PaO language.

4.2.3. Information acquisition method and participant selection

As IID has already been active in the study region through past projects, participants of former workshops and group discussions were invited again for the previously mentioned meetings, as they have shown great support in the past for IID’s projects. With the help of a National Tourism Specialist, additional important stakeholders got identified and invited. For the hotelier’s focus group, the aim was to extend the pool of stakeholders by also inviting hoteliers who have only been little involved with IID in previous meetings, in order to ensure a better representation of local entrepreneurs. In order to get a basic understanding of the PaO situation, the researcher used the opportunity during the first week of IID’s meetings and events to conduct interviews.
with local stakeholders. The recruitment of further interviewees was then an evolving process, where current interviewees referred to other, potential people to get interviewed for the research topic. This technique is also referred to as snowball method in ethnographic research (Jennings, 2010). It is considered to be a highly effective mean of recruiting interviewees, especially in areas where people are not used to talk to outsiders because of trust or confidentiality issues (Jaimangal-Jones, 2014). This type of research conducted also converges with Burns’ (2000) theoretical sampling, as it is a method of constant discovery and development of new categories depending on the information gathered. In addition, villagers and farmers on the trek were also interviewed at random and upon mutual agreement. The recruitment of further interview partners was facilitated through inputs from the local trekking guides: This was the case especially during the first trek, where both guides knew a lot of PaO people through their work and relatives.

In addition to participant observations and semi-structured interviews, the researcher retrieved a lot of information through the highly experienced tourism specialists in the RDTMP team. Thanks to various discussions within the team, a lot of insights into Myanmar’s tourism, political and social-cultural environment were gained.

### 4.3. Limitations of research methods

A first limitation can be seen in the selection of participants for the IID meetings and events. It was mostly based on participants of past IID workshops and hence, there might be a risk of having excluded other, relevant stakeholders. As a consequence, the initial people interviewed by the author were mostly based on IID’s pre-selection of participants. This was especially obvious with regards on GIC, who have always been an active participant during IID’s projects and as a consequence, offered great help to the researcher. However, this poses the risk of biasing the opinion towards one direction. In order to obtain an equal share of different voices, the researcher decided to travel back to Taunggyi at the end of the trip in order to interview a few critical voices from CBOs.

As an outsider to the study area, the researcher was heavily dependent on the help and guidance of local stakeholders and team members. The snowball system of having the interviewee referring to new interviewees might have excluded other potential candidates.

A third issues might be related to language barrier. Although having had excellent translators, the researcher had to rely on the information given by the translator. Related to this, the researcher could only make use of written notes taking on the spot for data analysis. It was strongly recommended by the team members to not use
video or audiotaping and to only write the gathered information down. It was said that memories about military forces were still too fresh and that people might be very cautious if asked to video or audiotape. Lastly, although the sample size of 41 interviewed people is larger than expected, the different interviews still vary in quality and length. Due to time and resource restrictions, not all interviewees could dedicate the same amount of time to the interviewer.

4.4. Data Analysis Method

After the field trip to the research region, a large amount of data was available including notes from the various interviews taken, notes from participant observations as well as pictures taken during the field trip. In addition, as the researcher formed part of the RDTMP project, further information was available from the other team members’ investigations in the region. At the end of the four-week field research, a total of 40 people got interviewed and grouped into four distinct categories: the interviewed people got categorized into private sector (13 people), CSO/CBO/NGO (8 people), officials/government (3 people) and villagers/PaO (16 people). Some special cases need to be noted: for example in a group of farmers where one main person was talking counted as one, although additional opinions were given by the other farmers in the group.

The information found was used in order to answer the three steps of the modified value chain analysis.

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**Figure 8: Summary of research methods and limitations**

- **Method I: Participatory Observations and Focus Groups**
  - 4 RDTMP events
  - 2 day trek through Eastern hillside
  - 2 days at PaO Village (Kekku)
  - 3 day trek through Western hillside

- **Method II: Semi-structured Interviews**
  - 13 private sectors
  - 8 CSO/CBO/NGO
  - 3 officials/government
  - 16 villagers/PaO

- **Limitations**
  - Selection of participants for IID’s meetings
  - Snowball system for interviewees
  - Language barrier/dependency on translators
  - Varying quality and length of interviews
5. Data Analysis and Discussion

This chapter aims to give an overview regarding the data collected during the field trip to Myanmar. In a first part, the macro environment of the study setting will be described with regards on environment, social and economic aspects. In a second part, tourism demand and supply under the micro environment will get explained. In the sub-value chain selection, specific tourism services and products will get selected.

5.1. Modified Value Chain Selection

5.1.1. Value chain selection: Macro environment

Following the suggestion made in chapter 3, in order to comprehend the study population it is crucial to have an understanding of the overall study setting. The following chapter provides an overview of the relevant macro environmental criteria of the Eastern hillside with regards on the PaO people.

5.1.1.1. Environmental/geographic characteristics

Agriculture

Once on the trek, it became possible for the researcher to realize the remoteness and wilderness of the PaO region. The changing landscape encompassed dry zones with little vegetation to better-cultivated zones with signs of rice plantation and other agriculture. Hilly mountainous areas were followed by dry planes and then again hills. This fact is also reflected in the village set up, as households can spread out from top of the hill to down the plain, but yet all belong to the same village. The main agricultural products for PaOs are garlic, turmeric, cheroot leaves, peas and peanuts. According to several PaO people, these products are not considered to be very profitable. Another issue, which many PaO people in Shan State face, is regarding poppy cultivation. The PaO region further to the East of the study setting is well known for its cultivation, a major reason why the region is still not fully accessible.27

Globalization/Modernization

The remoteness was also seen in the fact that mobile coverage was not available during the whole trek. In Kekku cellular coverage was only available in a few spots in the village. Electricity and running water was almost not existent, although many

27 For further details regarding the opium trade in the region, please refer to Appendix 20: Poppy cultivation in the PaO region and its impact
households have solar cells and hence electricity during night times when using the cells electricity storage. Despite these infrastructural problems, modern technology such as tv, radio or video recorder was widespread, linked to the proximity of the Chinese and Thai border to South Shan State. For instance, the first morning after the homestay in the village Hti Ne, the family was surrounding the tv watching PaO music video clips. This is another fact supporting the argument that globalization is happening at a far faster speed than governmental reforms can improve infrastructure, education or the remote health system (Parnwell, 1998). On the other hand, the main road leading from the trekking starting point at the Nampan market towards Kekku got newly renovated in 2010 by the government. However the reason behind this is the fact that halfway between Nampan and Kekku, the main road turns Southwest leading to the capital Na Py Taw. The villagers seem to benefit from these recent developments and modernization efforts, which is also seen in the big numbers of cheap Chinese motorbikes at the 5-day market in Nampan. As an old PaO market lady put it: when she was younger she had to walk for 3h from her village to the Nampan market, but now by truck or motor bike it only takes her 30 min.

![Picture 2: New main road leading to the market in Nampan](image)

Picture, Author, Nampan 2014

5.1.1.2. Social characteristics

Village Structure

The PaO communities on the trek to Kekku still show very traditional and conservative village structures. The Chief village for example acts as a judge in minor cases and

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28 Discussion with Khun Mghtee on 21.03.2014, Nampan, Myanmar

29 Discussion with old PaO Market Lady on 21.03.2014, Nampan, Myanmar
posses in general quite some power and authority. Villages on the countryside generally do not have police presence or courts. The social ties within a village are also quite strong, reflected in the community sense of organizing common festivals or the fact, that families have to donate part of their harvest into a common village storage, which will be used for said festivals. Another interesting observation was the strong PaO culture; represented in their traditional PaO dresses and the fact that most households have a picture of the PNO leader hanging next to the altar. Besides wearing their traditional dresses, they all communicated in PaO. Besides the traditional housing in bamboo huts, the traditional way of cooking is still predominantly by using firewood.

**Demography**

As shown in chapter 2, the rural countryside clearly lacks health facilities. Most young families seen on the trek had more than one child, which might be partly related to the unavailability of family planning centers or simply, contraceptives. According to Aung the PaO guide, foreign NGOs tried in the past to educate villagers in terms of family planning, however more education is needed in this domain. A widespread problem mentioned by the PaO people is the lack of a future perspective for the young ones in the rural countryside. As the Chairman of Parami puts it, it is not easy for the young ones to go back to what their parents were doing (agriculture) as population is growing but there is not enough land for everyone. On the other hand, young people are not interested to pursue agriculture as their parents and through modern technology they are well informed about the possibilities outside agriculture.

**Schools**

Compared to other minorities, the PaO have always been left behind in terms of education, agriculture and competitiveness. In villages where the government cannot provide sufficient funds for teachers, they need to find volunteers and pay them by offering parts of their harvest. The curriculum of Myanmar public schools is country wide quite similar; a reason why the PaO people would like to have their own history, language and literature included in their schools. As this is currently lacking, monasteries in the PaO regions conduct PaO language and history courses during the school children official summer holiday. Although PaO people supposed to learn the language Myanmar in school, language barriers are a major problem for development.

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30 Discussion with Aung Myin Kyaw on 21.03.2014, Nampan, Myanmar
31 Interview with U Aung Khim on 24.03.2014, Taunggyi, Myanmar
32 Interview with Dr Khin Than on 24.03.2014, Taunggyi, Myanmar
33 Interview with U Aung Khim on 24.03.2014, Taunggyi, Myanmar
organizations such as the UNDP when working in rural PaO areas. Khun Aung Myo Htun also identifies the language barrier as another issue for the PaO’s development.

PaO Characteristics
It was interesting to observe how different people unrelated to each other referred to the same characteristics when describing the PaO people. First of all, PaO people are very traditional minded, value religion and the monks highly. The PNO Patron described them as followers, in terms of following what their religious leaders teach them. But also in terms of the PNO, "they always pay respect and believe what the PaO leaders ask them to do". The Former Chief Village of Kekku also confirmed this: most PaO do not like to be leaders and feel in general a lot of pity for other people. Khun Aung Myo Htun sees a disadvantage in these characteristics: as PaO are not used to be entrepreneurs, a change of mind set is needed in order to have the rural farmers be more active and aware of their status.

5.1.1.3. Economic characteristics

Employment
As confirmed by secondary research, most PaOs work in the agriculture sector, as little trade exists in these remote areas. In general, the villagers see their social-economic development depending on the yearly harvest and the price it yields. Although many have their own farmland, the researcher also met some PaO working as field workers for a salary of 2'000 MK/day. Comparing this salary of a field worker to the salary of a tour guide with 30-50$/day, there exists a clear discrepancy between what people earn in the tourism industry compared to the traditional agriculture.

An issue is the widespread youth unemployment rate. It seems like it is a countrywide problem that university graduates struggle finding an appropriate job. The receptionist of the Remember Inn showed the researcher a newspaper article upon his own initiative with the title page showing two pictures of university graduates, one selling newspapers and the other one working on fields. According to him, graduates face increasingly difficulties finding a job, as the country is opening just slowly, however

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34 Interview with UNDP Micorfinance on 17.03.2014, Nyaung Shwe, Myanmar
35 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
36 Interview with Tun Tin on 02.04.2014, Taunggyi, Myanmar
37 Interview with U Khun Maung Toke, 25.03.2014, Taunggyi, Myanmar
38 Interview with Former Chief Village Kekku on 23.04.2014, Kekku, Myanmar
39 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
40 Interview with Rabbit Lady on 21.03.2014, Nampan, Myanmar
41 Discussion with Joshua/Misuu on 16.03.2014, Inlay, Myanmar
42 Discussion with staff of Remember Inn on 03.04.2014, Nyaung Shwe, Myanmar
more and more young people want to pursue higher education. Different sources vary, but ILO (2013) currently estimates the current youth unemployment rate at 11.5%.

5.1.1.4. Compared to Western hillside

The first apparent difference between the Eastern and the Western hillside is the landscape. Although the researcher was traveling in the hot season, the Eastern hillside seemed drier and less green than the other lakeside. Agriculture such as rice and other plantations were more widespread on the Western hillside, which is linked to the higher availability of water. Also in terms of infrastructure, the Western hillside showed a higher level of acculturation as most houses were made of bricks whereas on the Eastern side traditional bamboo huts dominated. Although not all villages on the Western hillside possessed electricity or water, the availability of both was better than on the East. Thanks to a major colt plant, the Western side benefits from very good roads. The PaO living on the Western side were also mostly farmers living of agriculture. However the PaO culture was not as dominant as on the Eastern side, visible through the different dresses in the PaO village Pa Htu.

<table>
<thead>
<tr>
<th>Macro environment</th>
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<tbody>
<tr>
<td>Environment/Geographic</td>
</tr>
<tr>
<td>- Changing landscape</td>
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<tr>
<td>- Farmers: cheroot leaves, turmeric, garlic</td>
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<tr>
<td>- Low yield products</td>
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<tr>
<td>Modernization</td>
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<tr>
<td>- Very little mobile/electricity/water coverage</td>
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<tr>
<td>- Use of technology (radio, tv) through solar cells</td>
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<tr>
<td>- Where beneficial for gov., infrastructure there</td>
</tr>
<tr>
<td>Village Structure</td>
</tr>
<tr>
<td>- Very traditional, Chief village authority</td>
</tr>
<tr>
<td>- Strong social ties</td>
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<tr>
<td>- Dominant PaO culture</td>
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<tr>
<td>Demography</td>
</tr>
<tr>
<td>- Many young families</td>
</tr>
<tr>
<td>- Lack of perspective for young ones on country side</td>
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<tr>
<td>Schools</td>
</tr>
<tr>
<td>- PaO lack behind other minorities</td>
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<tr>
<td>- Some villages not enough teachers</td>
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<tr>
<td>- PaO language &amp; history classes in monasteries</td>
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<tr>
<td>- Language issue/barriers</td>
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<tr>
<td>PaO Characteristics</td>
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<tr>
<td>- Traditional minded, followers</td>
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<tr>
<td>- Religion (buddhism), power of monks</td>
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<tr>
<td>- PNO, power of PaO leaders</td>
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<tr>
<td>Economic</td>
</tr>
<tr>
<td>Employment</td>
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<tr>
<td>- Big salary discrepancy between farmers and hospitality workers</td>
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<tr>
<td>- High youth unemployment rate, lack of possibilities for graduates</td>
</tr>
</tbody>
</table>

Figure 9: Summary of Macro environment
5.1.2. Value chain selection: Micro environment

5.1.2.1. Demand

**Tourist Arrivals**

As stated in chapter 2.5.1, tourism in Inlay region is seasonal at the moment with high arrivals in winter and low in summer.\(^{43}\) Interestingly, official data collected from three different sources is contradicting each other: for example the Inlay Zone fee collector shows a substantial lower number of tourist arrivals than the tourism police. Taking the average of the three sources (11 month of data from April ’13 – February ’14) it shows that international tourist arrivals to Inlay Lake were around 111’000, lacking data of one month. This number is slightly higher than previous estimates (Munz & Molstad, 2012).

As a consequence of the lack of reliable tourism data in the region, the tourism survey formed an integral part of the RDTMP project. During one week, international as well as domestic tourists got interrogated by using the quantitative questionnaire.\(^ {44}\) Around 1’000 questionnaires in English and Myanmar language got collected in the end. First results are expected around mid July and hope to provide more clarity regarding tourists’ average spending and stay, amongst others.

5.1.2.2. Supply

**Accommodations**

Observations have shown that most budget accommodations are in Nyaung Shwe. The resorts on the lake itself tend to be more expensive and offer higher quality of service. Currently, there is a new hotel zone being built on the eastern shore of the lake encompassing an area of 623 acres. The hotel zone\(^ {45}\) plans to add 3’000 new hotel rooms, resulting in a total room capacity of 7’500 rooms around the lake within the next few years.\(^ {46}\)

According to Anne from Shwe Inn Thar, her yearly hotel occupancy rate averages at 64%, ranging from 20% in low seasons to almost 100% in high season.\(^ {47}\)

**People employed**

Most people working in the tourism industry in Inlay Lake are coming from the region and of Inthay ethnicity.\(^ {48}\) In the past few years, a small number of PaO have come

\(^{43}\) See Appendix 21: Data of Inlay Zone arrivals 2013-2014

\(^{44}\) See Appendix 22: Tourism survey English example

\(^{45}\) See Appendix 23: New Hotel Zone Inlay

\(^{46}\) Hotelier Focus Group Meeting, Win Oo Tan on 31.03.2014, Nyaung Shwe, Myanmar

\(^{47}\) Interview with Anne on 15.03.2014, Inlay, Myanmar

\(^{48}\) Interview with Yin Myo Su (Misuu) on 15.03.2014, Inlay, Myanmar
down from the hills in order to seek work in the tourism industry. The two GIC hotels in the lake currently have 115 employees and hire on average 1-2 new people per 2 years, although their staff is not entirely but majorly PaO.

The handicraft and souvenir business in Inlay is already quite developed: there are several handicraft Centers and villages around the lake, specialized in silver and other merchandise production. The five-day market in Nampan offered many tourist souvenirs and the market people kept underlining the tag ‘made in Inlay’. Products such as traditional bags or towels from various ethnic minorities were also displayed. Upon asking, it seems like the products all come from Inlay Lake.

5.1.3. Sub-value chain selection: Services

During the field research in Inlay region, the researcher got to know that the only company currently offering trekking tours through the Eastern hills to Kekku was GIC. The hotel group is fully owned by PNO and hence, all guides are also of PaO ethnicity. Research revealed that GC is holding a monopoly: if other tour operators want to offer their guests a tour to Kekku, it has to be organized through GIC who also collects an entry fee of 3$/person and 5$ PaO conductor fee.49 Kekku is an antique city surrounded by PaO hills, famous for its thousands of stupas.50 It only got rediscovered in 1996 and was officially restricted until 2000.51 Even now, it is only little known to foreign tourists, but very popular amongst domestic tourists. In fact, the researcher counted 11 domestic tour busses at the site during one morning, which

49 Interview with Aung Myin Kyaw asking Khun Maung Nwe on 19.05.2014, via Email
50 Stupa = a dome-shaped monument, which serves as a Buddhist shrine
51 Interview with Aung Myin Kyaw asking Khun Maung Nwe on 23.04.2014, via Email
might also be due to the fact that the research time fell into the national school vacation time. Some RDTMP team members observed on the current trip that compared to past visits, other travel agencies in Nyaung Shwe increasingly promoted Kekku on their program now.

5.1.3.1. Trekking Industry

The GM of the two GIC in Inlay Lake started to organize trekking tours to Kekku with foreign tourists first in 1999, when it was still illegal and restricted for tourists to access.\(^{52}\) However, one year later GIC received the official mandate by the government for conducting trekking tours and Kekku opened up for tourism. The most popular trek among tourists is the one-day tour to Kekku, where they hike half a day through the hills to Nong Khe and by car further to Kekku, return same day to the hotel. In high season they have about 10 groups per week doing the 1day hike, which reflects how little known this trip actually is. The second popular tour, the 2day/1 night trek has even lower participant numbers, "in low season about 2-3 per month, in high season maybe every week."\(^{53}\) Comparing these numbers to the Western hillside and the trekking mecca Kalaw, which established itself as a trekking hot spot since 2001 with an estimated number of 100-200 travellers everyday,\(^{54}\) the difference is quite visible. The researcher encountered about 9 different trekking groups whilst on the 3day trek from Kalaw to Inlay Lake. During the two-day trek in the Eastern hillside and the following stay in Kekku, the researcher did not meet any other foreigners as confirmed by GIC that there were no other trekking groups the whole week.

All treks start about the same time early morning and as a consequence, there are only a few selected villages on the Eastern hillside possible for lunch stop and the overnight stop. According to the Manager of GIC travel & tours office, there is no resulting rivalry between the villages.

Although the trek to Kekku encompassed many villages, there were no visible signs of grocery shops or other kind of businesses catering water, fruits or snacks to tourists or locals.

5.1.2.2. Homestays

On both treks, accommodation was very basic consisting of a mattress on the floor. Showers were taken as the locals do outside the house with the traditional Longyi\(^{55}\) on. The squat toilet was also situated outside the house in a separate hut. The cooking was made over an open fire in the house by using firewood.

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52 Discussion with Khun Maung Nwe on 24.03.2014, Taunggyi, Myanmar
53 Interview with Khun Mghtee on 20.03.2014, Inlay, Myanmar
54 Open Group Discussion RTDMP on 18.03.2014, Nyaung Shwe, Myanmar
55 A Longyi is the traditional dress tied up as a skirt for women and men
Eastern hillside

The first overnight stop on the Eastern hillside trek was in the village Hti Ne on top of a mountain. The house owner seemed to be a relative of the trekking guides and according to Khun the house was frequently used by GIC to host foreigners on the treks. Officially, Myanmar people are not allowed to host foreigners in their homes. The recent report on CBT by the government however allows home stays for new buildings under certain regulations (Häusler, Kyi Kyi Aye, & Thida Aye, 2013). Monasteries seem not to form part of this regulation. Traditionally, monasteries have always served as accommodation for local people or pilgrims. On both sides of the

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Picture 5 (left): Traditional cooking place and house on the East side
Picture 6 (right): Traditional shower and ‘modern’ house on the West side

Pictures, Author, Nampan and Myin Dike 2014

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The first overnight stop on the Eastern hillside trek was in the village Hti Ne on top of a mountain. The house owner seemed to be a relative of the trekking guides and according to Khun the house was frequently used by GIC to host foreigners on the treks. Officially, Myanmar people are not allowed to host foreigners in their homes. The recent report on CBT by the government however allows home stays for new buildings under certain regulations (Häusler, Kyi Kyi Aye, & Thida Aye, 2013). Monasteries seem not to form part of this regulation. Traditionally, monasteries have always served as accommodation for local people or pilgrims. On both sides of the

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56 Discussion with Khun Mghtee, 20.03.2014, Inlay, Myanmar
57 Discussion with Khun Maung Nwe, 14.03.2014, Inlay, Myanmar
58 Discussion with Sanny on 28.03.2014, Pa Htu, Myanmar
dinner in advance. As meat is scarce on the countryside, the tour guides usually purchase meat and if needed, vegetables in advance to bring it along.

**Western hillside**

In contrast to the Eastern hillside, where the PaO owned GIC controls the trekking and homestay industry, various tour operators dominate the Western hillside. Through the increased demand and lucrative business model, many tour operators entered the competition and a price war started as everyone tries to compete with even lower prices.\(^{59}\) As a response to the increased number of tour guides, the established tour guides found the need to create KTGA last January in order to ensure consistent tour guide quality.\(^{60}\) They currently have 78 members from an estimated number of 300 tour guides in Kalaw and belong now to the Myanmar Tour Guide Association, Kalaw branch. A typical trekking tour from Kalaw to the lake lasts between 3-5 days. Each trekking company usually has his own cook, who drives by motorbike in advance in order to prepare lunch or dinner for the group. It is rare that the house owner will also need to prepare food for the guests. Hence, the house owner only provides a place to sleep, wash and fire wood to the trekking group. The interaction between house owner and trekking group is generally quite low, as the different trekking companies try to keep it as minimal as possible.

**Current benefits to the minorities**

There is again a clear difference between the Eastern and Western hillside. According to Khun Maung Ngwe, each family hosting foreigners receives 6’000 MK/guest and if they have to provide food, an additional 2’000 MK/guest. There is a close relationship between GIC and the different PaO villages in terms of support, as they feel all connected through their PaO identity. GIC is more than just a hotel group says Khun Maung Ngwe, by employing young PaO his hope is that through the acquired knowledge and experience they will eventually open their own business.\(^{61}\)\(^{62}\) By visiting the PaO region frequently, the GM tries to stay informed about the rural region’s development.

The situation is more complex on the Western hillside. Prices for a trekking trip vary between the different tour operators. KTGA’s goal among others is to ensure price consistency by offering a unified price for the trek. In their association, they try to ensure that each member pays the hosting family 2’000MK and in addition

\(^{59}\) Interview with Alex and U Doh Soe Min on 26.03.2014, Kalaw, Myanmar

\(^{60}\) Discussion with KoKo on 26.03.2014, Kalaw, Myanmar

\(^{61}\) Interview with U Khun Maung Toke, 25.03.2014, Taunggyi, Myanmar

\(^{62}\) Discussion with Khun Maung Nwe, 24.03.2014, Taunggyi, Myanmar
200MK/guest will be collected, which goes into a common village fund. The idea behind is to have the whole village benefit from home stays as the village fund should be used to build schools, water tanks or pay teachers. It is the Chief Village and Village committee’s responsibility to manage the fund. KTGA’s idea received support from the tourism police and together, they ensure that each foreign guest in a village gets registered, so that the village fund can receive the common money. Currently there are five villages participating in this initiative.

**Negative impacts**

Besides the monetary benefit, some social impacts were also visible on the Western hillside. In the PaO village Pa Htu, the tour guide informed beforehand that the trekking industry has caused some tensions in the village. Apparently, there was a couple which moved from Kalaw to the rural village Pa Htu as they had to work as teachers. The husband soon started to collaborate officially with tour operators in 2009 and hosted small groups of maximum eight foreigners in their big house. At the beginning the villagers were jealous Sanny says, but when he started to send them tourists too (as he could not accommodate the increasing demand), the tensions got less. The initial tensions might also have been related to the fact that he came in as an outsider into the traditional village, bringing in new ideas, which some traditional villagers opposed. However, there are currently about 10 households (out of the 180 households) participating in home stays. The Chief of South Pa Htu village also agrees that jealousy and competition amongst villagers nowadays is an issue. In addition, he thinks that his village is currently not benefitting enough from tourism; he would like to see a raise in fees and generally more support from the tour operators. Generally, the researcher could observe a different atmosphere and empathy of the PaO villagers towards the trekking group, compared to the trek through the Eastern hills. The researcher felt less comfortable when walking through the village and no interaction with the villagers occurred, which was quite the opposite on the Eastern hillside.

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63 Interview with U Doh Soe Min on 26.03.2014, Kalaw, Myanmar
64 Discussion with KoKo on the 26.03.2014, Kalaw, Myanmar
65 Discussion with Sanny, 28.03.2014, Pa Htu, Myanmar
66 Interview with U Chit Soe, 28.03.2014, Pa Htu, Myanmar
67 Interview with Chief Village South Pa Htu, 28.03.2014, Pa Htu, Myanmar
<table>
<thead>
<tr>
<th>Services: Trekking/ Homestay</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
</tr>
</tbody>
</table>
| **Eastern** | - Homestays officially still illegal  
- In 2013 policy on community tourism published  
- Homestays now allowed only for new buildings under certain regulations | - First started in 1999 illegally  
- GIC received official mandate for trekking to Kekku in 2000  
- Still little known, small number of trekkers, exclusivity | - GIC holds monopoly power  
- External agencies/FITs need their permission and a PaO conductor  
- Entrance fee to Kekku for the packaged tours | - High, but not often  
- Houseowner receives 6000MK/guest  
- 2000MK/guest if food is included  
- GIC employs local PaO in their hotels  
- Little social impact |
| **Western** | - Trekking industry established itself around year 2000  
- Constant increase since then  
- Kalaw established itself as a trekking mecca | - Numerous trekking tour operators, >300 Tour Guides in Kalaw  
- Highly competitive environment  
- Many (new) tour guides come from outside Kalaw | - Low, but often  
- Houseowner receives 2000MK/group  
- KTGA’s initiative: additional 200MK/guest for village fund  
- Usually houseowner not responsible for food  
- Negative social impact: jealousy & competition |

**Figure 10:** Summary comparing the sub-value chain services (trekking & homestay) of Eastern to Western hillside

### 5.1.3. Sub-value chain selection: Products

Chapter 5.1.1. has shown that the PaO people have traditionally not been involved in the production of handicrafts for tourism purposes. Traditionally farmers, there might be potential to include agricultural products in the tourism value chain. In addition to producing agricultural products, the researcher also observed a variety of traditional household products with potential for further development. The following section will provide an overview of these agricultural and handicraft products, PaO made.
5.1.3.1. Agricultural Products

For Hoteliers/Tour Operators

Several PaO people pointed out the low value products that most PaO farmers cultivate: most farmers just grow their garlic as they do every year. They lack knowledge of the wider market dynamics in order to assess the right price, which is related to the remoteness of most of the area. During the trek on the Eastern hillside the two guides Khun and Aung mentioned several times that they think certain plants, such as banana or cotton which currently grow naturally, could get exploited more by cultivating them in the region. Through the new hotel zone at the lake, they think the PaO people should increasingly plant avocados or taros, as these are popular items among foreign tourists. But yet, bad infrastructure and the unpredictability of the harvest leave hotellers and tour operators cautious regarding the fact of collaborating with rural villages for their food supply; although they try to use local products and would be interested in. Khun Maung Nwe for example does use traditional PaO soap and shampoo as amenities for his trekking groups staying at monasteries. However, there is only one supplier left selling the traditional PaO soap as the local people prefer Western soaps nowadays.

Another way would be supplying through markets, such as the rotating 5-day market, to the hotellers. This is however only possible for a small amount of farmers, due to accessibility and distance issues treated in chapter 5.1.1. One of the largest markets is located on the Western hillside close to Kalaw, where many tour operators and hotellers source their products from.

Currently, most farmers work through brokers in order to sell their harvest. The brokers then sell these products further on to different markets and buyers. Hence, for most PaO farmers there is no direct link to the markets. Richard criticized this lack of direct participation and suggested to market the products under a common PaO name. Most of their products such as garlic, soybean or tealeaves are later on only known as Shan State products and most people do not know that these are actually PaO products. This fact might directly be related to the characteristics of the PaO discussed in 5.1.2., as they are not used to be entrepreneurs. "Farmers need to be aware of their value and importance for the society", Khun Aung Myo Htun says.

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68 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
69 Interview with Yin Myo Su (Misuu) on 16.03.2014, Inlay, Myanmar
70 Interview with Khun Maung Nwe on 14.03.2014, Nampan Myanmar
71 Interview with Khun Maung Nwe on 16.03.2014, Nampan, Myanmar
72 See Chapter 5.2.2. Entrepreneurs for an explanation for brokers
73 Interview with Khun Kyi (Richard) on 01.04.2014, Taunggyi, Myanmar
74 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
For Tourists

Within the lake area, the researcher did not observe any agricultural souvenirs such as tea leaves or shampoo that were possibly PaO made or came from the PaO region. In front of the religious site in Kekku however the researcher could discover a variety of products that were primarily catering to domestic tourists. Agricultural products included seeds, tealeaves and honey. As picture 7 shows, these products were very basic packaged and for foreign tourists it would be difficult to guess that the plastic bottle was actually selling natural shampoo or that the plastic bag contained tealeaves, since there were no obvious labels. Upon asking the market lady, why she did not use basic labels or upgrade her packaging, the PaO lady replied that she was already selling more than enough by just using simple plastic bags.75 There was no point for her investing in labeling or a better packaging. During good days, she can sell between 10’000 – 20’000 MK and during bad days only 3’000 – 4’000 MK, which is still more than the average worker on the fields earns as discussed in chapter 5.1.1.3. Besides the products targeting clearly domestic tourists, the researcher did not observe any souvenirs for international tourists.

Picture 7 (left): A PaO lady catering to domestic tourists in Kekku
Picture 8 (right): Trekking guide Khun with a traditional PaO bag

Picture, Author, Kekku and Nampan 2014

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75 Interview with 1st Market Lady on 23.04.2014, Kekku, Myanmar
5.1.3.2. Handicraft Products

**Traditional PaO bags**

The traditional, hand-woven bag in bright colors is widely used by the PaO people. Woven bags are also common among other ethnic minorities, however they each have a different, particular pattern and color. The bags currently available in tourist markets around the lake are made by the Inthay people and big weaving machines. Richard criticized their lower quality products, compared to the hand-woven PaO handbags.\(^{76}\) He is however afraid that these traditional PaO products won’t sustain in the long term as only a few are still interested in maintaining the culture and the rather time consuming production. Joshua shares this concern and criticizes the commission system which many tour operators and guides practice when visiting specialized handicraft villages in Inlay with tourists.\(^{77}\) Locals do not really benefit anymore from producing traditional handicrafts and as the hospitality sector offers more attractive wages, those traditions might die out. In order to prevent this, an Australian NGO created a vocational training Centre in the rural PaO region where young people could learn traditional handicraft making.\(^{78}\) The project however failed, as most participants could not afford a weaving machine once the training was over or did not know where and to whom to sell the products.

On the other hand, the village Nong Khe on the trek to Kekku is well known for its hand-woven PaO bags.\(^{79}\) When visiting the four weaving women in Nong Khe, they were proud of their art. Even the Chief Village urges them to continue the weaving, as it is a good way to show their traditional skills to any passing tourists.\(^{80}\) Per day, they are able to produce two bags, which each sells for around 5’000MK and leaves them with a profit of 2’000MK per bag from the broker. The weaving is done especially during the dry season, when there is little farm work to do. Despite other people’s concern, the women say even the youngsters in the village are still interested in learning the weaving techniques.

**Other handicrafts**

The researcher has also observed traditional bamboo baskets for sale on the Kekku market; however, due to their size they might not be very suitable for tourists. According to Khun Maung Nwe there are several PaO villages in the region famous for their bamboo, carpet or lacquer ware production. Although he has taken tourists

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\(^{76}\) Interview with Khun Kyi (Richard) on 01.04.2014, Taunggyi, Myanmar

\(^{77}\) Discussion with Joshua/Misuu on 16.03.2014, Inlay, Myanmar

\(^{78}\) Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar

\(^{79}\) Interview with Khun Maung Nwe on 31.03.2014, Nyaung Shwe, Myanmar

\(^{80}\) Interview with weaving women on 21.03.2014, Nong Khe, Myanmar
sometimes to these villages during the treks, the question is how they can bring the products to tourists and where. Dr Khin Than New currently has plans to open a souvenir shop in Kekku to sell traditional PaO products in the name of her foundation.81 Besides needed investments and funds, they also technical assistance she says. Various issues regarding design, business plan and manufacturing plant need to get solved. As many other PaO, she also hopes on support and assistance from NGOs or CBOs. Another issue regarding handicrafts is that local people are many times not aware that for them a simple and basic perceived item might be of high value for a foreigner. For example, PaO people traditionally use dried squashes as water containers and are sold at 1’000 MK. A foreigner discovered by accident such a dried squash while eating in a restaurant (where it was used as decoration) and paid 10$ to purchase it.82

<table>
<thead>
<tr>
<th>Products</th>
<th>Agricultural</th>
<th>Handicrafts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currently produced</strong></td>
<td>Natural shampoo, honey, green tea leaves, for domestic tourists in Kekku</td>
<td>Traditional hand-woven PaO bags</td>
</tr>
<tr>
<td><strong>Need to upgrade</strong></td>
<td>Yes, packaging and labeling</td>
<td>No, already high-quality</td>
</tr>
<tr>
<td><strong>Potential to develop</strong></td>
<td>Yes, Kekku increasingly getting popular. Are already farmers and producing</td>
<td>Yes, but need to be lucrative and sustainable for young PaO</td>
</tr>
<tr>
<td><strong>Difficulty</strong></td>
<td>Low value items, need proper marketing and technical assistance. Volatile Production</td>
<td>Transportation, time consuming, finding the right market</td>
</tr>
</tbody>
</table>

**Figure 11: Summary of sub-value chain products**

5.1.4. Summary of sub-value chain selection

From the overall investigations made so far, trekking and homestays got identified for a first value chain analysis. Although little developed on the Eastern side, there is potential for further development whilst taking the lessons learnt from the Western side into account.

81 Interview with Dr Khin Than New on 24.03.2014, Taunggyi, Myanmar
82 Interview with Former Chief Village Kekku on 23.04.2014, Kekku, Myanmar
Regarding tourism products, the PaO seem to be little involved in the supply of souvenirs or other handicrafts. There exist traditional handicraft items such as the hand-woven PaO bag or natural shampoo, which pose potential for further development. However, a thorough risk and benefits need to be conducted in order to assess its potential for further upgrading.

5.2. Value chain analysis: Stakeholder comparison

Following the stakeholder theory discussed in chapter 3.1.2., this chapter will give an overview of the different stakeholders in the region. It is crucial to understand their power relations to each other as well as their interest in tourism development.

5.2.1. Government/officials

5.2.1.1. Power relations

Myanmar is centralized ruled with many layers of sub-coordination. In addition to the three levels - Union, State and Township -, many townships together can form a district. Strict hierarchy and a slow decision-making process is also seen within governmental agencies: several hoteliers from Inlay still struggle to get their voices heard regarding setting up a waste management plant.83 Tour guides also complained about the bureaucracy and administrative burden when renewing their tour guide license. Given the literature review, the researcher was quite surprised about the open criticism many people expressed regarding governmental agencies. On the other hand, some are still very cautious about the country’s recent opening and afraid it won’t last for long.84 Nevertheless, most people the researcher spoke to felt quite optimistic for their future.

5.2.1.2. Interest in tourism development

To cite HE U Htay Aung, the Union Minister of MoHT, „Sustainability is easy to say, but not easy to do“.85 Sustainability hereby refers to a balanced tourism growth. The Minister further stressed the need of international experts in terms of technical assistance, in order to manage the growth in a sustainable manner. As covered in the literature review, the Myanmar government is highly interested in developing its tourism potential further on (Ministry of Hotels and Tourism, 2013). However, the government is still cautious to which extent the local communities can handle such

83 Hotelier Focus Group Meeting on 31.03.2014, Nyaung Shwe, Myanmar
84 Interview with Khun Mong Nunn on 23.03.2014, Kekku, Myanmar
85 Project Launch and PAC Meeting on 13.03.2014, Na Py Taw, Myanmar
development. According to Kye Kye Aye, a senior tourism advisor to the MoHT, the local communities do not have the capacity yet regarding the dynamics of the tourism industry in order to be fully independent.86

Another issue might pose the complex structure of the government: although the tourism minister might favor a sustainable tourism growth, there are in total 36 Union Ministers fighting over a share in budget and priority; not to forget the various politicians on state, district, township and village level.

5.2.1.3. PNO

The PaO National Organization emerged from various mergers and splits of different PaO rebel groups and parties who eventually got united in 2010 to build the PNO how it exists today. Peace with the government however already occurred earlier: in the ceasefire agreement of 1991 certain concessions and rights were granted for the PaO.8788 Although the PNO is considered a political party nowadays, they are more than just that: as a highly hierarchical and complex construct, they own several businesses from winery to cement and hotels.89 Critics of this complex construct said it is difficult for villagers to understand the different functions within the PNO and where to seek assistance when needed.90 Internally, the various layers of hierarchy seem to slow down decision-making process. In addition, most of the members have an army background from their underground times and might not fully understand the necessities of modern business development. Despite all the critics, the PNO enjoy high legitimacy among the PaO villages. According to the Patron the PNO re-invests the generated profits from its various business activities into the village development by setting up schools and infrastructure.91 However, the PNO is not the only party representing the PaO people: due to past discrepancies between the various armed groups, other organizations such as the PNLA emerged.

Overall, villagers seem to give the PNO more trust in terms of infrastructure development than to the government. An activist even goes as far as saying, through the SAZ mandate, it is the PNO’s responsibility to ensure education and infrastructure in the rural PaO region.92 As a powerful and complex stakeholder, it is important for any external agency to collaborate with the PNO and have their full support in order to reach the villages and their people.

86 Discussion with Kyi Kyi Aye on 12.03.2014, Ny Py Taw, Myanmar
87 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
88 Interview with U Khun Maung Toke on 25.03.2014, Taunggyi, Myanmar
89 See Appendix 24: PNO Structure & hierarchy
90 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
91 Interview with U Khun Maung Toke on 25.03.2014, Taunggyi, Myanmar
92 Identity is known to the author
5.2.2. Entrepreneurs

5.2.2.1. Power relation

The private sector currently plays an important role in Inlay region. In many cases, where the government cannot reach down to township level due to the slow processes to for example implement a proper waste management system, it is the private sector’s role to act.\(^{93}\) Although there exists an hoteliers association, it seems only symbolic and little cooperation between the different businesses exists. Many tours to Inlay are packaged and as a consequence, hoteliers complained about the increasing power of tour operators and guides. According to Joshua, the recent boom in tourism has made the tour guides feeling superior and requesting free offers.\(^{94}\) Similar voices were heard on the Western hillside: the Chairman of KTGA criticized the hoteliers and tour operators for having become rich, but not distributed enough benefits to the villages.\(^{95}\) The tour guides from GIC contradict this with regards on GIC, as the hotel group is not privately owned, "but belongs to all PaO people".\(^{96}\)

Another powerful stakeholder groups are the so-called brokers. The researcher only got to know of this system during the field research through discussions with villagers and hoteliers. Due to distance issues, most farmers in the PaO area sell their crop to brokers below the actual market price. Farmers also have the possibility to get a cash advance from brokers and in exchange, they promise them their crop in a few months time at a pre-agreed price. Usually the house or other valuable items will hold as guarantee. This system makes the farmers highly dependent on brokers and puts them in danger if they cannot deliver the promised harvest, but still need to pay back the money and interest.

5.2.2.2. Interest in tourism development

The private sector is not a homogeneous group and regarding tourism development the researcher could observe contradicting opinions from the different players. On one hand, many tour guides criticized the drastic increase in tourists, as "too much is not so good I guess".\(^{97}\) Some even went as far as proposing quotas and limitations, such as only accepting packaged tourists. On the other hand, the GM from Aureum Inle Win Oo Tan said if all businesses followed a responsible tourism practice, this would already put certain limitations to an uncontrolled tourism development.\(^{98}\)

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\(^{93}\) Hotelier Focus Group Meeting on 31.03.2014, Nyaung Shwe, Myanmar
\(^{94}\) Discussion with Joshua/Misuu on 16.03.2014, Inlay, Myanmar
\(^{95}\) Interview with U Doh Soe Min on 26.03.2014, Kalaw, Myanmar
\(^{96}\) Discussion with Khun Mghtee, 20.03.2014, Inlay, Myanmar
\(^{97}\) Open Group Discussion RTDMP on 18.03.2014, Nyaung Shwe, Myanmar
\(^{98}\) Open Group Discussion RTDMP on 18.03.2014, Nyaung Shwe, Myanmar
However, during the open group discussion, most participants agreed that tourism will most likely increase even more in the near future and will expose them to additional environmental, infrastructural and social problems.

5.2.3. Minorities (PaO)

5.2.3.1. Power relation

From the overall investigations made so far, it seems like the villagers have the least power regarding tourism. As many tour operators and guides confirmed, it is basically up to them with which villages they collaborate. Also the use of locally produced products in hotels depends largely on the hotelier’s interest as Misuu says,99 which confirms exactly what the literature states (Yang & Wall, 2009). Villagers are caught between the various interests of powerful players from the private sector (brokers, tour operators, rich investors/cronies) and government (PNO, other parties). This is seen especially on the Western hillside, where tourism development has already advanced. The Chief Village South of Pa Htu has recently just given permission to a business man from Taunggyi to build a new bungalow complex in the village to absorb the increasing amount of trekkers. In return, the businessman granted the village water supply, electricity, a village fund and 200’000MK for the education fund. Although constructions have already started, witnessed by the researcher, no contract has been signed yet (except for the education fund), says the Chief Village.100 On village level, not much seemed to have changed since the creation of the SAZ for the PaO. The rights granted are not enough yet, says Tun Tin from the PaO Youth Organization.101

5.2.3.2. Interest in tourism development

The PaO people generally perceive tourism development as very positive and promising for their own social/economic development. Without exception, all GIC tour guides and staff think the more tourists the better for the PaO people. As the Manager of the GIC travel office puts it, he thinks with the development of a tourism industry, the PaO villages will also further develop.102 Only the researcher’s translator and guide sees it more critical, as "tourism development is good for the PaO region on one hand, but on the other hand they also need to be ready for this in terms of infrastructure,

99 Discussion with Misuu on 15.03.2014, Inlay, Myanmar
100 Interview with Chief Village South Pa Htu on 28.03.2014, Pa Htu, Myanmar
101 Interview with Tun Tin on 02.04.2014, Taunggyi, Myanmar
102 Interview with Khun Htun Oo on 20.03.2014, Nyaung Shwe, Myanmar
The other GIC guide perceived tourism development as ‘good’ since its benefits also spread out to secondary industries such as agriculture. Also the villagers on the Eastern hillside perceive tourism development as positive with potential for their own development. The Astrologer in Kekku sees tourism as a way to share and acquire new knowledge from the visiting foreigners. As he is too old to travel abroad, he is more than happy having the foreigners traveling to his house to see him. The former Chief village of Kekku does not expect any immediate benefits from tourism, unless they would stay longer to teach and educate the villagers. Evidently, the villagers put a lot of hope into education and knowledge. Tourism is perceived as a tool to practice English, widen their knowledge and eventually upgrade them further up.

5.2.3.3. Other minorities

Other minorities are quite suspicious regarding the PNO, as they were one of the first ethnic minorities having signed a ceasefire agreement with the government and received various concessions and rights in exchange. According to the Patron, they do not have major ethnic tensions with the Inthay or Danu, but with the Shan State. This fact is also confirmed by Nilsen (2013), as the Shan State felt like losing authority and power when the PaO SAZ got created. According to observations from the RDTMP team members and their talks to local stakeholders, it seems like the conflict in Shan State between the SSA and the government is still ongoing. As the PNA is under the Eastern command now, the former PaO fighter are now directly involved in this conflict.

5.2.4. Other organizations

5.2.4.1. Power relations

As a consequence of the villagers being caught between various interests of powerful stakeholders, independent NGOs and foreign development agencies have benefitted from a good reputation among villagers. Since 2010, the PNO has invited numerous foreign NGOs to hold workshops and training. According to the Chairman of PDN, he would like to see the NGOs not only helping them with building new schools or improving infrastructure, but more importantly to transfer them knowledge by offering courses. Although the PaO people seem to value the work of these organizations

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103 Interview with Aung Myin Kyaw on 20.03.2014, Nyaung Shwe, Myanmar
104 Interview with Khun Mghtee on 20.03.2014, Nyaung Shwe, Myanmar
105 See Appendix 24: PNO Structure & hierarchy
106 Interview with U Khun Maung Toke on 25.03.2014, Taunggyi, Myanmar
107 Myanmar’s army consists of 12 regional commands
108 Interview with U Aung Khim on 24.03.2014, Taunggyi, Myanmar
highly, the government seems rather cautious. Not all help to ethnic minorities might be appreciated, as the recent case from Rakhine State shows: according to a foreigner working for MSF Myanmar, they just had to leave all projects in Rakhine State as help was perceived to be given to the wrong people, from government perspective.\textsuperscript{109} Just as IID did, it is essential to first receive official government support before going into the fields.

5.2.4.2. Interest in Tourism Development

During the field trip, the researcher could observe a variety of different foreign organizations (UNDP, GIZ, IID, Inle Speaks) working in the area. Although some share common objectives, there seems to be little cooperation between them as confirmed by Abdulla (2013). The case of the Australian NGO discussed in chapter 5.1.3.2. confirms the previous assumption made that many development agencies lack a certain long term perspective and market approach (Haynes, 2014; Mitchell & Ashley, 2010; Sofield, 2000).

On the other hand, since the country’s opening many Myanmar activists who have previously lived in Thailand, came back to the country to continue their work. According to the young PNO activist Khun Maung Hmwe, many villages started to form CBOs.\textsuperscript{110} However, he would like to see all the different organizations work more closely together and fight collectively for PaO issues. Many of these organizations acknowledge the potential of tourism for the region, but yet concentrate first on capacity building "...as the PaO first need to know about tourism."

\begin{center}
\textbf{Figure 12: Summary of stakeholder comparison through a positioning map}
\end{center}

\textsuperscript{109} Identity known to the author
\textsuperscript{110} Interview with Khun Maung Hmwe on 24.03.2014, Taunggyi, Myanmar
\textsuperscript{111} Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
5.3. Selection of strategy

The literature under chapter 3 suggests choosing a strategy by ensuring the triple-bottom line approach and assessing the current risks and benefits aspects. Following the Tourism Value Chain theory, the chosen strategy might consist of upgrading current products or modify the existing processes. The value chain selection has exposed that there are clear distinctions between the Eastern and Western hillside in terms of landscape and social-economic development, linked to the different stage of tourism development. Due to its current low involvement in tourism, there is still potential for further exploration, especially for tourists seeking authenticity and the traditional experience. However, constrains such as remoteness, difficult infrastructure, bureaucratic hurdles and various stakeholder interests might bring certain burdens with regards on the development of tourism services or products.

5.3.1. Tourism Services

The Trekking and Homestay business currently solely hold under GIC ensures certain quality, control and benefits to the PaO villages. Following the explanation given by various stakeholders, GIC seems like a cooperation of PaO people for PaO people. Through this close collaboration between GIC and the villages, the business can stay up to date regarding the rural development. As all trekking guides are themselves of PaO ethnicity, interactions between the trekking groups and villages are facilitated, which is quite the opposite on the Western hillside. Coming from the same region and culture, many GIC guides perceive trekking tours like sharing part of their own identity with the tourists. PaO tour guides are hence also better at explaining their own culture to tourists in order to educate and make them aware of certain traditions in the village. From the Western hillside the researcher got to know of some special cases, where tourists misbehaved whilst staying at a monastery. As KoKo says, it is the guide's responsibility to ensure that the tourists are well informed regarding the dos and don'ts.

A possible strategy therefore regarding trekking tours in the Eastern hillside is keeping the current situation under GIC’s control, so they can ensure the quality and comfort of the tourist experience. By expanding the current trekking routes, more villages can get included whilst offering new touristic sites. By increasing the tourism activities in the region, it is recommended that GIC implements certain quality standards and more transparency to the villages in terms of monetary benefits. It is crucial to ensure that all villages feel treated equally, and also among the villagers themselves to prevent jealousy and competition. A possibility might be a common village fund, also suggested by Schilcher (2008) as a tool to distribute the benefits more evenly.
Improvements regarding infrastructure are also necessary as a direct tool to upgrade the villages. With increasing numbers of trekkers, the firewood usage by the locals will also increase leading to more deforestation and ultimately affect the farmers negatively. Coordination problems between GIC Managers and villages might also arise, as the region is not covered yet by a cellular net.

![Diagram](image)

- ✓ Monopoly by GIC ensures quality, control and benefits
- ✓ “By PaO for PaO” approach
- ✓ New knowledge acquisition
- ✗ Involving the PaO properly in the decision-making process as they are followers
- ✗ Jealousy and competition
- ✗ Acculturation

![Diagram](image)

- ✓ Additional income
- ✓ Benefits to secondary industry
- ✗ Not all might benefit equally

**Figure 13: Summary of risk and benefit assessment of chosen strategy**

### 5.3.2. Tourism Products

The tourism value chain analysis has shown that most PaO farmers struggle finding direct access to markets due to limited knowledge and the presence of brokers. Regarding agricultural products, a possible solution might be for villages spanning together by building cooperation. This way, the villages would have higher bargaining power and could possibly access the markets directly.

Another strategy might be by upgrading current locally produced products to make them more appealing to the foreign tourist. The traditional souvenir shop in Kekku by Dr. Khin Than New might be a first idea, where traditional items such as green tea
leaves or natural shampoo would be displayed. The packaging hereby is very important in order to educate the foreign visitor about the article's content. The research has unveiled that tourists seem to not know much yet regarding the different minorities in the region and their traditional artifacts. Hence, the researcher suggested to the GIC on Inlay Lake to have a small exhibition hall will various traditional PaO items for sale in order to educate the tourists better with regards on their customs. Hence, by displaying their traditional items and have them for sale, this might also be a way of preserving certain traditions such as the natural shampoo and soap.

An additional strategy might be the introduction of new products into the chain. In front of the religious site in Kekku, the researcher observed many domestic families taking pictures. However, there was currently not such a photography-taking service yet, as it is common in other Southeast Asian tourism sites. A suggestion might be offering photo frames of the site with individual pictures to the tourists. However, all these proposed strategies need financial investment and technical assistance. The question is from where and how the PaO will receive the supplies needed for the new products or the packaging to upgrade current products. Another issue will also be the waste management, especially when packaged items are sold. Lastly, it is crucial to ensure that the benefits of such activities get equally distributed to not disrupt social ties in the village.

✓ Through cooperation direct access to markets
✓ Higher bargaining power
✓ Way of preserving certain traditions
✓ Less dependent on agriculture
✗ Power of investors

✗ Waste management
✗ Infrastructure needed
✓ Additional income
✗ Dependency on new suppliers
✗ Not all might benefit equally

Figure 14: Summary of risk and benefit assessment of chosen strategy
5.4. Conclusion on modified value chain

Through the modified tourism value chain the researcher identified certain tourism services and products with potential for further development. An overall understanding of the PaO and their external as well as internal environment was reached by utilizing the steps of the theory. As a consequence, the hypothesis is accepted as the modified Tourism Value Chain theory proofed to be a viable assessment tool to reach a detailed understanding of the PaO, their current involvement in the tourism value chain and the potential of further involvement through tourism services and products.

The actual research question however addressed whether tourism can be used as a community development tool. Looking at the summary of the risks and benefits of each chosen strategy, the answer is ‘yes, but’. The analysis on the Western hillside has revealed that using a liberal open-market approach to tourism mostly benefits tour operators and hoteliers and disadvantages ethnic minorities. This finding confirms the case seen by Yang & Wall (2009), that rural communities face difficulties to integrate within a modern market economy and supports the argument of the cautionary platform among tourism scholars (Nash, 1996; Parnwell, 1998).

The analysis on the Eastern hillside however has shown that through the exclusive control of the tourism business by GIC there exist possibilities for the villagers to benefit more equally. Through their closeness to the PaO people, it seems like the PaO villagers do have a stake in the tourism planning process, which is a crucial element for the success of a tourism development project (Hwang, Stewart, & Ko, 2011; Rocharungsat, 2008; Wallace & Russel, 2004). Carefulness is stated at this point though: as GIC belongs to the political party PNO, not all PaO villages might feel that close to them. However, there seem not to be major tensions yet.

Another question is, for how much longer can GIC keep their monopoly. This research paper exposed tourism as a very complex phenomenon, which can create dynamism on its own. As a consequence, it will be increasingly difficult to control it. To conclude with, the modified Tourism Value Chain theory can be used to address a specific issue such as finding the right product or service. However, if looking at tourism from a broader perspective, the theoretical framework is not enough to find answers to such a multifaceted construct as tourism.
6. Conclusion

6.1. Recommendations

This paper used a modified model of the tourism value chain, stakeholder and triple-bottom line theory of sustainable development in order to assess the tourism potential of the PaO region east to Inlay Lake. The previous section identified strategies for the further development of tourism services and products. Nevertheless, the overall analysis has shown that besides tourism development, the villagers first need an awareness training regarding the complexity of tourism, but also elements of community-capacity building and empowerments are needed.

6.1.1. Tourism Development

As observed on the Western hillside and increasingly now on the Eastern hillside, villagers do participate in hosting foreigners although it is a grey zone, legal vice. While it is only a secondary income for most villagers besides farming, through the forecasted substantial increase in tourism in the coming years, trekking and home stays activities are expected to increase as well. As discussed with the RDTMP members, tourism will be happening in the region no matter what and it will affect the villagers. Just as with globalization/modernization, tourism can develop its own dynamic once started and will spread out with demand leading the way. Scholars such as Nash (1996) and Parnwell (1998) perceive tourism as acceleration acculturation and drawing the villagers into a complex system of a globalized world. Nevertheless, the researcher believes that the traditional PaO people will experience social-cultural changes in the near future. By preventing tourism development, through globalization the social-cultural environment of the PaO will get impacted anyways. Also, the right for development is a fundamental human right everyone possesses (United Nations Human Rights, n.d.). The question though is how to ensure that tourism development is for the PaO and not to satisfy other stakeholder interests. Hence, it is important to first train the villagers and make them aware of the dynamics of tourism. The villagers need to be ready for the complex mechanism of tourism, but also in terms of infrastructure and level of service as Aung Myin Kyaw said.\textsuperscript{112} GIC who has already trained many young PaO people could take a leader role in this.

Looking at the long run, the researcher predicts certain upcoming challenges for the PaO: As the report by McKinsey (2013) points out, agriculture as the strongest industry will get surpassed by manufacturing and experience smaller growth than

\textsuperscript{112} Interview with Aung Myin Kyaw on 20.03.2014, Nyaung Shwe, Myanmar
tourism, telecom or infrastructure. It will become increasingly difficult for the PaO farmers, who already struggle now with cheap Chinese imports or other, domestic production sites, to yield enough profits for their families. As discussed earlier by Dr Khin Than New, it is tough for the young PaO to go back to their village after having finished their studies and continue working in agriculture just as their parents do. Khun Aung Myo Htun even says that young graduates who go back to their village and continue farming actually set a negative example for others, as it seems like although having studied they only made it that far. Asking the different young PaO interviewees about suggestions how to solve this dilemma, answers remained vague. Going back to their village and teaching the fellow villagers what they have learnt was the most frequent answer. Not surprisingly, many of the GIC staff live now in Inlay region with no intentions of going back to their native village. Aung Myin Kyaw opened a restaurant on the lake and does currently not think about returning to his village. Homestays and ancillary services such as little shops or local restaurants might hence pose a solution to prevent the brain drain of young villagers to cities. Tourism, if developed in the right way with the consensus of the villagers and the other stakeholders, might therefore represent a viable alternative for the future. The Eastern hillside benefits from the lessons learnt on the Western hillside and will hopefully manage to distribute benefits more equally by lessening the negative impacts. Although the situation for the PaO on the Eastern hillside is also quite complex with various PaO political sub-groups, PNO and local politicians, there exists potential if more cooperation among the different organizations was possible.

6.1.2. Alternatives to tourism

Although tourism development shows to be feasible for the PaO area given certain criteria, the field trip showed that at foremost, the villagers need capacity building and awareness training. As discussed by McKinsey (2013), other industries besides tourism will emerge in Myanmar in the near future. Globalization has already impacted Myanmar and the lives of the PaO villages too. In order to handle the upcoming challenges linked to the region’s opening towards investment, the villagers need to be better prepared for external forces and interests. Community empowerment can be reached by making the villagers less dependent on external assistance and brokers.

A positive example witnessed by the researcher is the rabbit lady. Initially, the PaO lady got successful through the sale of rabbits. But what is more admiring, is her initiative of creating a common village fund. Once when a UNDP worker visited her village and explained them the concept of micro financing, the lady thought why not creating a fund where they can keep the interest gained within their village, rather

113 Interview with Khun Aung Myo Htun on 01.04.2014, Taunggyi, Myanmar
than giving it away to the UNDP. As a consequence, she started a group with 16 other households (mostly women) and together they save each month 500MK into the common village fund. This was more than 1.5 years ago and now they have 13 Million MK in the fund. If someone wants to borrow a sum of money, the initial interest rate stays quite low but doubles after six months. With the profits generated from the interest, they finance common projects for the village such as a water tank.

This village initiative of micro financing might be a first step towards more community empowerment. Like Misuu said, SMEs need to get better supported financial vice as it is currently very difficult to obtain credits or loans from local banks. This study has shown that there are already a couple of local and international organizations working on the element of community-capacity building. However, it is still a long way to go for the numerous PaO villages: caught in between different interests of various parties and political leaders; local brokers, Chinese businessmen and other non-local investors; increasing pressure from competitive external forces linked to the region’s opening, modernization and new consumer goods brought in are just a few of the many challenges the rural countryside will still be facing.

Nevertheless, the researcher has generally an optimistic outlook for the PaO. Despite their difficult past, there exists a common spirit of hope, optimism and a will to move on by benefitting from the current changes.

6.2. Limitations and further research

Due to limited time and resources, only a restricted number of PaO villages could get visited, which is by far not representative for the whole PaO region encompassing a wide area. Additional research could hence focus on villages lying even further away from Inlay Lake in order to assess their tourism potential and the villagers’ perception of it. The modified tourism value chain is a generic model used to obtain an overall understanding of the PaO and propose strategies. In a next step, the proposed strategies could get assessed individually by calculating their monetary net value for the villagers. In a further investigation, interrogating tourists regarding their views on tourism development, but also tourism products and services, could help to enhance the overall understanding of the different stakeholder groups. To complete the value chain analysis, the proposed strategies should then get implemented, monitored and evaluated in order to estimate their success. On a long-term perspective, a further study could then explain in different ways whether tourism development has ultimately benefitted the villages or not and if tourism can be used as a community development tool.

114 Discussion with Misuu on 15.03.2014, Inlay, Myanmar
7. Bibliography


Haynes, M. (2013). Trekking in the Catchment Mountains of Inlay Lake: Kalaw to Inlay Trekking Corridor. IID, ICIMOD.


8. Appendix

Appendix 1: Myanmar or Burma?
There has been a long spanned discussion within the international community whether Myanmar or Burma shall be used (What's in a name? Myanmar, 2013). The country’s name got changed in 1989 by the military government from Burma to Myanmar and is recognized by the UN as Myanmar (Institute for Human Rights and Business, 2012). However, the opposition NLD continues to call it Burma, even though their leader Aung Suu Kyi tries to omit political tension with the military by calling it simply “my country” instead of Burma as pointed out in the blog by the Economist ( „What's in a name? Myanmar”, 2013). A few countries such as the UK show their empathy for the opposition by referring to the country as Burma; the US president Barack Obama on the other hand just made a remarkable diplomatic step towards the government by using Myanmar despite America’s official name for Myanmar still being Burma ( „What's in a name? Myanmar”, 2013). Based on the country’s colonial history as well as ethnic diversification, voices favoring Myanmar also argue that Burma only refers to the major ethnic group "the Burmans" or "Bamars" (Smith, 1994), hence Myanmar appears to be politically more correct.

For the purpose of this research paper, Myanmar will be used without reflecting any political motivation behind. This goes hand in hand with the other names of cities, ethnic minorities or villages in Myanmar: as there exist a variety of different spellings, this study focuses on one through out the paper to ensure consistency.

Appendix 2: Myanmar’s economic development compared to other Asian nations 1870-2011

<table>
<thead>
<tr>
<th></th>
<th>1870</th>
<th>1913</th>
<th>1950</th>
<th>1990</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>504</td>
<td>685</td>
<td>356</td>
<td>786</td>
<td>1,395</td>
</tr>
<tr>
<td>Indonesia</td>
<td>578</td>
<td>580</td>
<td>803</td>
<td>1,543</td>
<td>4,666</td>
</tr>
<tr>
<td>Thailand</td>
<td>608</td>
<td>841</td>
<td>817</td>
<td>2,910</td>
<td>9,398</td>
</tr>
<tr>
<td>China</td>
<td>530</td>
<td>552</td>
<td>448</td>
<td>796</td>
<td>8,587</td>
</tr>
<tr>
<td>Malaysia</td>
<td>608</td>
<td>900</td>
<td>1,559</td>
<td>4,799</td>
<td>16,240</td>
</tr>
</tbody>
</table>

Source: McKinsey Global Institute, 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>29'963</td>
</tr>
<tr>
<td>1987</td>
<td>41'904</td>
</tr>
<tr>
<td>1988</td>
<td>22'252</td>
</tr>
<tr>
<td>1989</td>
<td>5'044</td>
</tr>
<tr>
<td>1990</td>
<td>8'968</td>
</tr>
<tr>
<td>1991</td>
<td>8'061</td>
</tr>
<tr>
<td>1992</td>
<td>8'944</td>
</tr>
<tr>
<td>1994</td>
<td>26'000</td>
</tr>
<tr>
<td>1995</td>
<td>100'000</td>
</tr>
</tbody>
</table>

Source: Directorate of Hotels and Tourism, Burma Centre, in Campbell, 1996 in (Hall & Ringer, 2000)

Appendix 4: Myanmar’s Tourism Industry compared to the World

WORLD RANKING (OUT OF 184 COUNTRIES):

113 ABSOLUTE
Size in 2012

180 RELATIVE SIZE
Contribution to GDP in 2012

26 GROWTH
2013 forecast

52 LONG-TERM GROWTH
Forecast 2013-2023

Source: WTTC, 2013


Source: The World Bank Group, 2014
Appendix 6: ASEAN International Visitor Arrivals

Table 1: ASEAN International Visitor Arrivals 2009-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>157,474</td>
<td>214,290</td>
<td>242,061</td>
<td>300,139</td>
<td>0.3</td>
<td>24.0</td>
</tr>
<tr>
<td>Cambodia</td>
<td>2,161,577</td>
<td>2,508,289</td>
<td>2,881,862</td>
<td>3,560,000</td>
<td>4.0</td>
<td>23.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6,323,730</td>
<td>7,002,944</td>
<td>7,649,731</td>
<td>8,147,000</td>
<td>9.1</td>
<td>6.5</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>2,008,363</td>
<td>2,513,028</td>
<td>2,723,564</td>
<td>3,050,400</td>
<td>3.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>23,646,191</td>
<td>24,577,196</td>
<td>24,714,324</td>
<td>25,950,000</td>
<td>29.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Myanmar</td>
<td>762,547</td>
<td>791,505</td>
<td>816,369</td>
<td>1,058,995</td>
<td>1.2</td>
<td>29.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>3,017,099</td>
<td>3,508,818</td>
<td>3,917,454</td>
<td>4,259,600</td>
<td>4.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>9,681,259</td>
<td>11,638,663</td>
<td>13,171,303</td>
<td>14,356,500</td>
<td>16.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>14,149,841</td>
<td>15,936,400</td>
<td>19,230,470</td>
<td>22,303,065</td>
<td>24.9</td>
<td>16.0</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>3,772,559</td>
<td>5,049,855</td>
<td>5,988,425</td>
<td>6,585,853</td>
<td>7.4</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65,680,630</td>
<td>73,740,988</td>
<td>81,335,563</td>
<td>89,571,552</td>
<td>--</td>
<td>10.1</td>
</tr>
</tbody>
</table>

ASEAN = Association of Southeast Asian Nations, Lao PDR = Lao People’s Democratic Republic.

*International arrivals by air only.

Source: ASEAN Secretariat.

*Explanation: The MoHT also counts same day visitors by land as international arrivals, hence the numbers reported here are substantially higher than the ones by the World Bank Group.

Appendix 7: Visitor Profile (Nationality) by Air in 2012

Source: Ministry of Hotels & Tourism, 2013

*Explanation: The MoHT also counts same day visitors by land as international arrivals, hence the numbers reported here are substantially higher than the ones by the World Bank Group.

Source: Ministry of Hotels & Tourism, 2013
Appendix 8: Health, Education and Defense expenditure (as of % of total)

![Bar chart showing health, education, and defense expenditure](chart.png)

Sources: Ministry of Finance, World Bank, and IMF

Source: The World Bank Group, 2013

Appendix 9: The concept of floating gardens

The concept of floating gardens first got introduced to Inlay Lake in the early 60s and since then constantly been growing (Sidle et al., 2007). The floating islands provide yearlong vegetables and are as such economically highly beneficial (Ingelmo, 2013). However, through the increased usage of fertilizer, different voices criticized its concept as it damages the lake’s eco-system (Soe, 2012).

Appendix 10: Population Breakdown Nyaung Shwe Township

Table 1. Population Breakdown from Nyaung Shwe Township, Data Source: UNDP (2008)

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intha</td>
<td>70%</td>
</tr>
<tr>
<td>Pa-O</td>
<td>10%</td>
</tr>
<tr>
<td>Bamar</td>
<td>3%</td>
</tr>
<tr>
<td>Taung Yo</td>
<td>2%</td>
</tr>
<tr>
<td>Shan, Myanmar, Others</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Ingelmo, 2013
Appendix 11: PaO Self-Administered Zones, Nyaungshwe and Taunggyi Townships
Appendix 12: Shifts in contemporary tourism

<table>
<thead>
<tr>
<th>Old fordist</th>
<th>New post-fordist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass</td>
<td>individual</td>
</tr>
<tr>
<td>Packaged</td>
<td>Packaged/flexible</td>
</tr>
<tr>
<td>4 Ss (sun, sea, sand &amp; sex)</td>
<td>3 Ts (Traveling, trekking, trucking)</td>
</tr>
<tr>
<td>Unreal</td>
<td>Real</td>
</tr>
<tr>
<td>Irresponsible (socially, culturally &amp; environmentally)</td>
<td>Responsible</td>
</tr>
<tr>
<td>Modern</td>
<td>Postmodern</td>
</tr>
</tbody>
</table>

Source: (Mowforth & Munt, 2009)

Appendix 13: People contacted during preliminary research phase

As a non-Myanmar expert, the researcher contacted various Myanmar tourism experts via email and skype during the preliminary field research phase in order to get a better understanding of the current tourism situation in the country. The aim was to find a valid research topic related to a current problem that needed more investigations.
# People contacted during preliminary research phase

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Date</th>
<th>Contact Method</th>
<th>Position/Role</th>
<th>Background/Activities</th>
<th>Follow up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Häusler Nicole</td>
<td><a href="mailto:nhaeusler.consult@gmail.com">nhaeusler.consult@gmail.com</a></td>
<td>31.12.13</td>
<td>Email</td>
<td>Consultant</td>
<td>Independent, Consultant with extensive experience related to tourism in Burma and responsible tourism in general. Was partially active in the draft for the Burma Tourism Master plan. <a href="http://www.mfi.at/dmdocuments/CV_Haeusler_Februar_2012.pdf">http://www.mfi.at/dmdocuments/CV_Haeusler_Februar_2012.pdf</a></td>
<td>In her email she mentioned a possible project with Karen. Is flying to Myanmar, I will need to re-contact her after Jan 8th. Update January: project with Karen cancelled, suggested to contact Frank Momberg from Flora and Fauna International.</td>
</tr>
<tr>
<td>de las Cuevas, Jesse</td>
<td><a href="mailto:jesanico.delascuevas@gmail.com">jesanico.delascuevas@gmail.com</a></td>
<td>30.12.13</td>
<td>Email</td>
<td>Currently, Director Marketing for Pao-Layar Myanmar</td>
<td>Currently stationed in Burma. Provided useful links and contacts.</td>
<td>Dane</td>
</tr>
<tr>
<td>Valentin, Andre</td>
<td><a href="mailto:andreia@tourismntransparency.org">andreia@tourismntransparency.org</a>, <a href="mailto:andreia@tourismntransparency.org">andreia@tourismntransparency.org</a></td>
<td>24.12.13</td>
<td>Email</td>
<td>Director Tourism Transparency</td>
<td>Currently Director of an NGO working in Burma. Contact through Facebook (Pao Tsu). Will attend Myanmar Hospitality &amp; Tourism Conference as a speaker Feb 2013.</td>
<td>Still pending reply.</td>
</tr>
<tr>
<td>Raymond</td>
<td><a href="mailto:raymond@hso.educ.at">raymond@hso.educ.at</a></td>
<td>20.12.13</td>
<td>Email</td>
<td>Researcher</td>
<td>Recommended by Joel to contact. Independent consultant</td>
<td>Email reply on 14.01.2014, as she is quite busy now asked me to re-contact her next week. Suggested different literature and human study group.</td>
</tr>
<tr>
<td>Schott, Barbara</td>
<td>sbuschott.fl@ gmail.com</td>
<td>30.12.13</td>
<td>Email</td>
<td>Consultant</td>
<td>Representative in Myanmar for Hanan Seidelt Stiftung</td>
<td>Replied on 06.01.2014 that they will re-contact me regarding a potential project with Karen. Further follow up with Nicole Häusler.</td>
</tr>
<tr>
<td>Munz, Achim</td>
<td><a href="mailto:munz@hso.de">munz@hso.de</a></td>
<td>31.12.13</td>
<td>Email</td>
<td>CurrentlY stationed in Myanmar, country representative for HSS. Will also attend the Conference as a speaker.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joern Kristensen</td>
<td><a href="mailto:kristensen@iidi.or">kristensen@iidi.or</a></td>
<td>24.01.14</td>
<td>Email</td>
<td>Director for International Development, Myanmar</td>
<td>Recent Mission: To develop sustainable tourism as a development tool in Burma/Myanmar as a Director for Project Development for Partnership for Change/Aung San Suu Kyi World Freedom Fund. Also guest speaker at the tourism conference in Feb 2014. <a href="http://ariidmoldstad.com/cv/">http://ariidmoldstad.com/cv/</a> Skype call 02.01.14: Very useful insights, advice to examine tourism activities around Inle Lake, many things going on: PaO feeling left behind, major hotel development projects, the lake's eco system threatened, land confiscation etc.</td>
<td>- Contact through Arild Moldstad - mentioned a possible project with ID - suggested to contact Mike Haynes, project leader for further details.</td>
</tr>
<tr>
<td>Moldstad, Arild</td>
<td><a href="mailto:mail@ariidmoldstad.com">mail@ariidmoldstad.com</a></td>
<td>31.12.13</td>
<td>Email</td>
<td>Director for Project Development in Myanmar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association Suisse Birmane: Aung Nanda</td>
<td>AUNG Nanda <a href="mailto:Aung.AUN@ehl.shc.org">Aung.AUN@ehl.shc.org</a></td>
<td>12.01.14</td>
<td>Email</td>
<td>Staff EHL</td>
<td>Burmese, Member of the Association Suisse Birmane</td>
<td>- Contacted the Association, he replied me then on 14.01, suggested to meet Florian and Hito (BSC2), we will meet on 29.01. - Meeting 29.01: helpful insights into his function in the association as well about Burma - provided me with a contact of the Swiss Embassy in Yangon (they collaborate with the Association) - will keep in touch</td>
</tr>
<tr>
<td>Frank Momberg</td>
<td><a href="mailto:Frank.Momberg@flora-flora.org">Frank.Momberg@flora-flora.org</a></td>
<td>22.01.14</td>
<td>Email</td>
<td>Country director Fauna and Flora International</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Haynes</td>
<td><a href="mailto:mikehaynes@heritage-development.net">mikehaynes@heritage-development.net</a></td>
<td>28.01.14</td>
<td>Email/Skype</td>
<td>Consultant, Project leader for ID's project around Inle Lake</td>
<td>Currently doing his PhD, lives in Cambodia, extensive experience with sustainable tourism in South East Asia</td>
<td>- Skype call on 28.01: discussed some details of the project draft plan - possibility for me to be involved in the community-based tourism part.</td>
</tr>
<tr>
<td>Kann Win Oun</td>
<td><a href="mailto:kannwinoung@gmail.com">kannwinoung@gmail.com</a></td>
<td>28.01.14</td>
<td>Email</td>
<td>EHL Alumni, consultant (?)</td>
<td>Burmese, consultant?</td>
<td>Contact through Joshua Guss (EHL) - Wrote him an email, explaining my intention of visiting Burma in March</td>
</tr>
<tr>
<td>Kurt Brueschwe</td>
<td><a href="mailto:kurtbrueschwe@bomail.com">kurtbrueschwe@bomail.com</a></td>
<td>20.02.14</td>
<td>Email</td>
<td>GM Tharabar Gate</td>
<td>GM at hotel in Bagan, swiss and experience</td>
<td>Contacted as suggested by Francisca Susse</td>
</tr>
<tr>
<td>Kathy</td>
<td><a href="mailto:katherine.eow@gmail.com">katherine.eow@gmail.com</a></td>
<td>10.03.14</td>
<td>Email</td>
<td>Master student, currently works for CST project teams</td>
<td>Did her Master thesis on community based tourism in Mon State - currently works in Luang Prabang for a small tour operator in the CST department - will be away in March for the ASEAN youth forum back in Yangon until 27th March, after that Taunggyi - pending date to meet</td>
<td>- friend of Ruben (met in Yangon)</td>
</tr>
<tr>
<td>Zin Nwe</td>
<td><a href="mailto:czinngze2000@gmail.com">czinngze2000@gmail.com</a></td>
<td>10.03.14</td>
<td>Email</td>
<td>Pa-O Women's Union</td>
<td></td>
<td>Contact through Elena Mimize (BKK CS)</td>
</tr>
</tbody>
</table>
Appendix 14: IID’s profile and role

IID is a research and consultation organization based in Australia with branch offices in Manila and Yangon and liaison offices in Canberra, Brisbane and Ulaan Baatar (IID, n.d). It was founded in 1993 and in 2011 it has established its branch office in Yangon again, after a break since 1998. IID has been awarded several development projects in Myanmar in different regions and partnered up with other development agencies such as UNICEF or GIZ (IID, n.d).

Appendix 15: Chronology of events so far

IID has been active in the area since 2011 through two parallel managed projects, the Inlay Lake Conservation project which focused on the Intha and resulted in the report *A plan for the future* (IID, 2012). The second project was concerning the creation of the PaO SAZ.

In 2013 IID started a partnership with ICIMOD in order to strengthen the rural livelihoods areas around the Lake. During a workshop in summer 2013 with local tourism stakeholders it became clear that the region needed a tourism management plan specifically regarding the hilly areas (IID, 2013). The workshop was followed by a value chain analysis of the trekking industry on the western hillside, where Haynes (2013) researched the potential of tourism development for the communities in the hilly areas.

In addition to IID’s projects, a number of other international organisations have also been active in the study setting through development projects. The following table is a chronology of events so far, encompassing IID’s activities in the study area by also including other projects from additional organizations, which have been active in the tourism sector by playing a major role.

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115 Full name of the project: *A plan for the future*, in support of the Action Plan for Environmental Conservation and Sustainable Management of Inlay Lake 2010-2025 of the Ministry of Environmental Conservation & Forestry (MOECAF)
### Chronology of events so far

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>What</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.03.12</td>
<td>Sustainable Options for Tourism on Inlay Lake.</td>
<td>Open Group discussion:</td>
<td>IID (A. Jensen, Molstad, Munz &amp; U Khaing Oo Swe)</td>
</tr>
</tbody>
</table>
|            | *What do we know, what are we doing now and what needs to happen next?* | - Part of the Inlay Lake Conservation project  
- IID is working with the Ministry to support the development of MOECAF Conservation Action Plan for Inlay Lake (2010-'15) |                                                                       |
| Aug '12    | Inlay Lake Conservation Project: A Plan for the Future | Regional Conservation Project                                                            | MOECAF, Norway gov                                                     |
|            | Action Plan for Environmental Conservation and Sustainable Management of Inlay Lake 2010-2025 |                                                                           |                                                                      |
| Oct '12    | Development Plan for Pa-O Self-Administered Zone, Shan State | Report                                                                                | IID (Brejnbjerg, Kristensen, Leake)                                   |
| Nov '12    | Towards a new era in Myanmar – A case study on planning for the future of the Pa-O Self-administered Zone | Arts Internship Report                                                                 | IID (Baumgartner)                                                     |
| June '13   | Myanmar Tourism Master Plan                           | Policy Report by Government                                                             | MOHT                                                                  |
| 10.07.13   | Development of a Regional Tourism Development and Mngt of the hill areas near Inlay Lake | Minutes of Stakeholder Meeting / Workshop                                               | IID (Schott, Leake, Kyi Kyi Aye, Myat Myat Moe), ICIMOD              |
| Sept '13   | Strategic Approach for the “Development of a Regional Tourism Development and Management of the hill areas near Inlay Lake” | Action Research Plan:                                                                  | ICIMOD & IID                                                          |
|            |                                                        | - Output 1: Sustainable Tourism plan surrounding hills-> 5 activities with time frame till Q1 2014  
- two fieldtrips: June & Sept 13 |                                                                      |
| Oct '13    | The Kalaw to Inlay Lake Trekking and Community         | Workshop/Presentation:                                                                 | IID & ICIMOD (Haynes)                                                 |
|            | Accommodation Industry                                | - SWOT Analysis of Trekking Kalaw  
- Inlay  
- Various recommendations given |                                                                      |
| Nov '13    | Summary of Activities of Barbara Schott               | Field visits by B. Schott                                                              | IID (Schott)                                                           |
Appendix 16: Objectives of RTDMP 2014

From the overall investigations made through past IID projects, it became evident that the local communities were not prepared yet for the impact of the tourism expansion in the region. As a consequence, the RTDMP project including the hillsides emerged and led to the creation of the current project, incorporating all relevant stakeholders and past work done so far. The RTDMP project is led by IID with the support of ICIMOD, the government of the Grand Duchy of Luxembourg and the MoHT. The RTDMP team consists of:

- Mike Haynes, Team Leader and International Heritage Tourism, Trekking and Rural Community Development Specialist
- Dr Andrea Valentin, Survey Leader and International Tourism Specialist
- Dr Anne Jensen, International Environmental Specialist
- Khaing Oo Swe, National Tourism Specialist
- Sonja Frommenwiler, Project Tourism Intern

Its goal is to provide government and private stakeholders the information required in order to be better prepared for the impact of increasing visitor arrivals in the region. Seven outcomes got defined as objectives for the project. The destination plan would encompass the Lake area and the Inlay region including the hill areas and the SAZs. The duration is forecasted to be six months from February to July 2014. The author will hereby focus purely on objective 5 regarding community involvement, as seen in the following table.
**Objectives of RTDMP 2014**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 1</strong>&lt;br&gt;<strong>Destination planning approach integrates all economic sectors and assets</strong></td>
<td>The final RTDMP encompass a plan that looks at regional development from a holistic perspective, identifying the linkages (both positive and negative) between tourism and natural resources, tourism services (e.g. guides, hotels etc.), infrastructure, transport, waste management, energy, and local community. In the process of developing this plan, the capacity of tourism sector planners is strengthened so that they are able to prepare future integrated destination management plans that embrace all these issues.</td>
</tr>
<tr>
<td><strong>Outcome 2</strong>&lt;br&gt;<strong>Social and environmental safeguards strengthened</strong></td>
<td>Social and environmental safeguards are “built-in”, to assure responsible tourism planning and development, addressing also cross-cutting issues like gender. Local capacity is strengthened to support effective implementation, monitoring and enforcement.</td>
</tr>
<tr>
<td><strong>Outcome 3</strong>&lt;br&gt;<strong>Zoning improved in tourist destinations</strong></td>
<td>Capacity of destination managers is strengthened to enhance understanding of planning concepts and processes like zoning.</td>
</tr>
<tr>
<td><strong>Outcome 4</strong>&lt;br&gt;<strong>Strategies on tourism and climate change adapted and Innovative and green technologies in tourism promoted</strong></td>
<td>Twin reduction in (a) the carbon footprint of tourist destinations, and (b) the threat of climate change to tourism destinations are integrated and Green technologies are prioritised in the RTDMP whenever possible</td>
</tr>
<tr>
<td><strong>Outcome 5</strong>&lt;br&gt;<strong>Community involvement in tourism strengthened</strong></td>
<td>Local community and other relevant stakeholders actively engaged in the process of developing the RTDMP. Regional capacity of planners is strengthened to manage involvement of local stakeholders in future planning.</td>
</tr>
<tr>
<td><strong>Outcome 6</strong>&lt;br&gt;<strong>Robust forecast model developed</strong></td>
<td>(1) Model to predict patterns of visitor numbers, their demands for facilities, and the potential positive and negative environmental, economic, cultural and societal impacts of such numbers developed. (2) Information is sufficient to allow planners to make sound decisions on the optimal planning of infrastructural and other development investments.</td>
</tr>
<tr>
<td><strong>Outcome 7</strong>&lt;br&gt;<strong>Model and funding mechanisms for a Tourism Destination Management Organisation (DMA) as leading umbrella organisation for tourism promotion and development proposed.</strong></td>
<td></td>
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</table>
## Appendix 17: Work plan Field research Myanmar 05.03. – 05.04. 2014

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Week 0</strong></td>
<td></td>
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<tr>
<td>Wed, 05.03.</td>
<td>- Arrival to Yangon late evening from Thailand</td>
<td>Yangon</td>
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<tr>
<td>Thu, 06.03.</td>
<td>- All day visit of Yangon</td>
<td>Yangon</td>
<td></td>
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<tr>
<td>Fri, 07.03.</td>
<td>- Visit of Swiss Embassy</td>
<td>Yangon</td>
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<tr>
<td>Sa, 08.03 –</td>
<td>- Individual trip to Mon State by public transportation</td>
<td>Mon State</td>
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<tr>
<td>So, 09.03.</td>
<td>- Visit of Golden Rock</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Week 1</strong></td>
<td>Mo, 10.03</td>
<td>- Meet RDTMP Team at IID Office</td>
<td>IID Office, Yangon</td>
</tr>
<tr>
<td></td>
<td>- &quot;Where are we&quot;, fieldwork preparation, Na Pi Taw &amp; Nyaung Shwe Meeting preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tue, 11.03</td>
<td>- Working on dissertation</td>
<td>IID Office, Yangon</td>
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<tr>
<td></td>
<td>- Helping with meeting preparation, updating attendance/invitation list</td>
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<td></td>
<td>- Writing press release</td>
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<tr>
<td>Wed, 12.03</td>
<td><strong>Morning</strong> - car drive to Na Pi Taw with team and talk with Kyi Kyi Aye tourism specialist</td>
<td>Na Pi Taw</td>
<td></td>
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<tr>
<td></td>
<td><strong>Evening</strong> - Dinner with whole team and overnight in hotel</td>
<td></td>
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<tr>
<td>Thu, 13.03</td>
<td><strong>Morning</strong> - 9am <strong>RDTMP Project Launch and Project Advisory Committee (PAC) Meeting</strong></td>
<td>Na Pi Taw/ Nyaung Shwe</td>
<td></td>
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<td></td>
<td>- lunch with officials</td>
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<tr>
<td></td>
<td>- continuing car drive to Nyaung Shwe, only RDTMP team</td>
<td></td>
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<tr>
<td></td>
<td><strong>Evening</strong> - Check in Remember Inn Nyaung Shwe, dinner</td>
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<tr>
<td></td>
<td>- Meeting with Martin Master Student</td>
<td></td>
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</tr>
<tr>
<td>Fri, 14.03</td>
<td><strong>Morning</strong> - Discussion with Mike &amp; Martin, Field work Prep</td>
<td>Inlay Lake</td>
<td></td>
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<tr>
<td></td>
<td>- Boat tour on lake with RDTMP team</td>
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<td></td>
<td>- Visit of GIC &amp; talk to Mgr</td>
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<tr>
<td></td>
<td>- Visit of new hotel zone</td>
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<td></td>
<td><strong>Evening</strong> - Visit of Inlay Heritage House/ Vocational Hospitality Training school</td>
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<td></td>
<td>- Dinner with Misuu, Owner &amp; Hotelier</td>
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<td></td>
<td>- Overnight at Inlay Heritage House</td>
<td></td>
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</tr>
<tr>
<td>Sat, 15.03</td>
<td><strong>Morning</strong> - Breakfast with Misuu and follow up discussions</td>
<td>Inlay Lake</td>
<td></td>
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<tr>
<td></td>
<td>- Finalization of the team member's work plan for field research</td>
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<td>- visit of jumping cat monastery and the crowny's hotel</td>
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<td></td>
<td><strong>Evening</strong> - Visit of Anne at Inn Thar Shwe, brief discussion</td>
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<tr>
<td></td>
<td>- Overnight at Inn Thar Shwe</td>
<td></td>
<td></td>
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<tr>
<td>Day</td>
<td>Morning</td>
<td>Evening</td>
<td>Location</td>
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</tr>
<tr>
<td>Sun, 16.03</td>
<td>- Visit of 5-day Market in Nampan by Sonja</td>
<td>- De-briefing with Team at Remember Inn</td>
<td>Nampan/Inlay Lake/Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td>- Visit GIC again with whole team to finalize Sonja’s &amp; Mike’s field research</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Visit of Nyaung Shwe daily Market by Sonja</td>
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<td></td>
<td><strong>Evening</strong></td>
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<tr>
<td></td>
<td>- Visit of 5-day Market in Nampan by Sonja</td>
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<tr>
<td></td>
<td>- Visit GIC again with whole team to finalize Sonja’s &amp; Mike’s field research</td>
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<tr>
<td></td>
<td>- Visit of Nyaung Shwe daily Market by Sonja</td>
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<td></td>
<td><strong>Evening</strong></td>
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<tr>
<td>Mo, 17.03</td>
<td><strong>Morning</strong></td>
<td><strong>Evening</strong></td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td>- Working on Dissertation</td>
<td>- Last de-brief with team for meeting/workshop</td>
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<tr>
<td></td>
<td>- Helping Martin at the jetty counting boats</td>
<td></td>
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<tr>
<td></td>
<td>- Visit of Barbara Bauer at Inle Speaks (CSO)</td>
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<td></td>
<td>- Spontaneous visit of UNDP Micro finance office</td>
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<tr>
<td></td>
<td><strong>Evening</strong></td>
<td></td>
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<tr>
<td>Tue, 18.03</td>
<td>Allday (9-5)</td>
<td></td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td>- Multi-Stakeholder Open Group Discussion Meeting</td>
<td></td>
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<td></td>
<td>- Introduction by Minister</td>
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<td></td>
<td>- Presentation by Mike, Anne &amp; Andrea regarding tourism survey</td>
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<td></td>
<td>- Formation of random groups, tasks/questions assigned, group discussions</td>
<td></td>
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<tr>
<td></td>
<td>- After Lunch: Presentations of results by each group</td>
<td></td>
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<tr>
<td></td>
<td>- Encouraging to come for Research Training</td>
<td></td>
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<tr>
<td>Wed, 19.03</td>
<td>Allday (9-5)</td>
<td></td>
<td>Nyaung Shwe</td>
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<tr>
<td></td>
<td>- Research Methodology Training by Andrea and supported by Sonja</td>
<td></td>
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<td>- small group assignments, discussions</td>
<td></td>
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<tr>
<td>Thu, 20.03</td>
<td>Allday (9-5)</td>
<td></td>
<td>Nyaung Shwe/Nampan</td>
</tr>
<tr>
<td></td>
<td>- 2nd day of Research Training</td>
<td></td>
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<tr>
<td></td>
<td>- Crash course in Excel by Sonja</td>
<td></td>
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<td></td>
<td>- Role play to practice the survey</td>
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<tr>
<td></td>
<td>- After lunch: field visit of tourists to practice &amp; fill out survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- formation of groups and assigning students to survey locations</td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>Evening</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Sonja leaving with 2 GIC guides to GIC Nampan</td>
<td></td>
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<tr>
<td></td>
<td>- Dinner and Overnight at GIC Nampan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri, 21.03</td>
<td><strong>Morning</strong></td>
<td></td>
<td>Nampan/1st day trek</td>
</tr>
<tr>
<td></td>
<td>- Visit of Nampan 5day market with the two Guides, various discussions with market ppl, buying food for trek</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Start of Trek</td>
<td></td>
<td>Eastern hillside trek</td>
</tr>
<tr>
<td></td>
<td>- Passing various villages, farmers &amp; PaO ppl</td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>Evening</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Arrival at Hti Ne, overnight at relative/friends place of GIC/Guides</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sat, 22.03</td>
<td><strong>Morning</strong></td>
<td></td>
<td>On trek/Kekku</td>
</tr>
<tr>
<td></td>
<td>- 2nd day trekking, passing by Nong Khe and Nong Ya Sai</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Evening</strong></td>
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</tr>
<tr>
<td></td>
<td>- Arrival to Kekku, stay at GIC lodge/restaurant</td>
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<tr>
<td></td>
<td>- Meeting with Haynes and the GIC surveyors</td>
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<tr>
<td>Day</td>
<td>Morning</td>
<td>Evening</td>
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<tr>
<td>Sun, 23.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Walk through village, visit of Khun’s uncle (astrologer), visit of former chief village east Kekku&lt;br&gt;- Continue to Stupas/site: talk to Rest. owner (daughter of astrologer), walking through the market, visit of the hill top</td>
<td><strong>Evening</strong>&lt;br&gt;- Discussion with the guys, treasurer’s political talk</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Kekku</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mo, 24.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Leave by train to Taunggyi, going to GM GIC’s house&lt;br&gt;- GIC/PNO office: meeting with Parami Development Network (Chairman, Secretary), PaO Women Foundation, PYGN&lt;br&gt;Overnight in Taunggyy</td>
<td><strong>Kekku/Taunggyi</strong></td>
<td></td>
</tr>
<tr>
<td>Tue, 25.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Visit of Taunggyi Market&lt;br&gt;- Visit of PaO National Museum, talk to the curator, PaO Lit &amp; cult centre&lt;br&gt;- Talk to the Patron of PaO</td>
<td><strong>Taunggyi/Nyaung Shwe</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Afternoon</strong>&lt;br&gt;- Back to Nyaung Shwe by public bus&lt;br&gt;- Visit of PaO owned winery Red Mountain Estate&lt;br&gt;- Talk to Ko Htwe Trekking guide in Nyaung Shwe</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Week 3</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wed, 26.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Leaving to Aungban by local bus&lt;br&gt;- Aungban: visit of market, novice ceremony&lt;br&gt;- Further travel to Kalaw&lt;br&gt;- Visit of Alex’s office, discussion with him&lt;br&gt;- Walk through Kalaw with Junior Guide, visit of Pagoda</td>
<td><strong>Aungban/Kalaw</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Evening</strong>&lt;br&gt;- Talk to Kalaw Trekking (KTGA Chairman), Guide Association, Thommy, Alex etc&lt;br&gt;- Meet with Andrea later</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thu, 27.03</td>
<td><strong>Morning</strong>&lt;br&gt;- 8am start trekking with Ko Ko (KTGA)&lt;br&gt;- Passing through jungle and water reservoir, view point (Nepalese lunch)&lt;br&gt;- Trekking further passing through Palaung villages &amp; Danu&lt;br&gt;- Arrival at train station Myin Dike, meet with Sunny&lt;br&gt;- Overnight in Danu home stay village, discussion with the owner</td>
<td><strong>Kalaw/ 1st day Trek (Western hillside trek)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2nd day Trek</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fri, 28.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Continuing trekking, first stop at PaO village (old lady weaving)&lt;br&gt;- Lunch break at Danu village, short discussion with lady/owner&lt;br&gt;- Passing through more villages</td>
<td><strong>3rd day Trek/ Nyaung Shwe</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Evening</strong>&lt;br&gt;- Arrival at PaO village, interview with owner&lt;br&gt;- Discussion with Chief village South</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sat, 29.03</td>
<td><strong>Morning</strong>&lt;br&gt;- Visit to Chief village to follow up on last night’s discussion&lt;br&gt;- Continuing trekking, passing through different sites showing sites of tourism development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day</td>
<td>Morning</td>
<td>Afternoon</td>
<td>Location</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Sun, 30.03</td>
<td>Arrival to boat jetty, back to Nyaung Shwe</td>
<td>- Meeting wit Andrea &amp; Kaing Swe (team) to wrap up, exchange of Info</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Afternoon</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Quick meeting with GIC Travel Assist Mngr, Follow up with GIC Mngr</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td>Mo, 31.03</td>
<td>Morning</td>
<td>- Wrapping session with surveyors/ tour guides &amp; Andrea</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Afternoon</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Hotelier’s meeting RDTMP</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td>Tue, 01.04</td>
<td>Morning</td>
<td>- Leaving to Taungyi</td>
<td>Taunggyi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Afternoon</td>
<td>Taunggyi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Follow up meeting with PNO Patron</td>
<td>Taunggyi</td>
</tr>
<tr>
<td>Wed, 02.04</td>
<td>Morning</td>
<td>- Meeting with KSAN (CBO)</td>
<td>Taunggyi/ Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Afternoon</td>
<td>Taunggyi/ Nyaung Shwe</td>
</tr>
<tr>
<td>Thu, 03.04</td>
<td>Morning</td>
<td>- Wrapping notes/ working at base camp Remember Inn</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evening</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Night bus back to Yangon</td>
<td>Nyaung Shwe</td>
</tr>
<tr>
<td>Fri, 04.04</td>
<td>Morning</td>
<td>- Arrival to Yangon (early)</td>
<td>Yangon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evening</td>
<td>Yangon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Going to IID office, wrap up notes all day long</td>
<td>Yangon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Dinner with Joern, Wife &amp; Mike</td>
<td>Yangon</td>
</tr>
<tr>
<td>Sat, 05.04</td>
<td>Flight back to Thailand</td>
<td></td>
<td>Thailand</td>
</tr>
<tr>
<td>Sun, 06.04 - Fri, 18.04</td>
<td>Flight back to Thailand</td>
<td></td>
<td>Thailand</td>
</tr>
</tbody>
</table>
Appendix 18: Summary of events organized by IID and Researcher’s role

The following table is a brief summary of the four main events organized by IID during the field trip to the study area.

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Agenda</th>
<th>Purpose</th>
<th>Participants</th>
<th>Researcher’s role</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.03.14</td>
<td>Project Launch and Project Advisory Committee Meeting</td>
<td>HE Union Minister of the MOH Opening speech, project and tourism survey presentation</td>
<td>to get the official permission to conduct the tourism survey and overall approval/support for RDTMP project, draft of PAC</td>
<td>Ministers (Union &amp; State level), Private Sector, CSOs &amp; NGOs</td>
<td>Observer</td>
<td>Ministry of Hotels &amp; Tourism, Na Py Taw</td>
</tr>
<tr>
<td>18.03.14</td>
<td>Multi-stakeholder group discussion Meeting</td>
<td>introduction to RDTMP, environmental issues, tourism survey, Group Discussion &amp; Presentations</td>
<td>to understand the key issues regarding tourism development from various stakeholder groups</td>
<td>Approx. 80 individuals from Government, Tourism Police, Private Sector and local NGOs &amp; CSOs</td>
<td>Observer, Facilitator during Group discussions</td>
<td>Nyaung Shwe, Inlay Lake</td>
</tr>
<tr>
<td>19&amp;20 &amp; 31.03.14</td>
<td>Research Methodology Training and Follow up</td>
<td>introduction to RM theory, survey practicing and group exercises</td>
<td>to train and have the locals implement the tourism survey as enumerators, to</td>
<td>Approx. 30 participants mostly regional tours guides and hotel staff (GIC), some tourism police</td>
<td>Observer, Facilitator, Excel Crash Course</td>
<td>Nyaung Shwe, Inlay Lake</td>
</tr>
<tr>
<td>31.03.14</td>
<td>Hotelier Focus Group Meeting</td>
<td>Open discussion evolving around key issues regarding waste mgnt, water and noise pollution, local sourcing of products</td>
<td>to involve the hospitality sector as a role model in the sustainable development of the region</td>
<td>Representatives from 12 hotels and resorts (Inlay Lake)</td>
<td>Observer, Facilitator, Participant</td>
<td>Nyaung Shwe, Inlay Lake</td>
</tr>
</tbody>
</table>

Appendix 19: Profile of the two PaO Guides (Eastern hillside trek)

<table>
<thead>
<tr>
<th>Aung Myio Kyaw</th>
<th>Khun Mghtee</th>
</tr>
</thead>
</table>
| **Background** | - has a Bachelor in Economics from Taunggyi University  
- worked at GIC as a staff/tour guide  
- did official tour guide license training in Yangon  
- worked in f&b during last 5 yrs in the Atlantis hotel, Dubai  
- just got back to Myanmar last Summer ‘13 | - started working for GIC in ‘99  
- has a f&b certificate from Yangon  
- in 2009 went to Malaysia to work in a factors  
- came back to GIC in 2012 |
| **Now** | - owns a restaurant on the lake  
- still works occasionally as a guide for GIC | - has his own rice paddies/farm in Inlay  
- occasionally works as trekking guide for GIC |
| **English level** | - good | - conversational |
Appendix 20: Poppy cultivation in the PaO region and its impact

Myanmar is currently the world’s second biggest opium producer after Afghanistan and South Shan State remains the region with the largest poppy cultivation in the country (UNODC, 2013). Shan’s State proximity to the Chinese and Thai border has also made this infamous region called the Golden Triangle. The topic remains a very sensitive one among the people, as the researcher did not encounter any one talking about these issues while on the trek. Only certain CBOs such as Khun Aung Myo Htun from KSAN was open to talk about it. According to him, poppy cultivation is a major problem for many PaO farmers, as it seems to yield them higher prices than other traditional prices, however the danger exists that armed forces might destroy their fields. Chinese businessmen are currently benefitting largely from production and trade, whilst the villagers obtain the major negative consequences. Khun Aung Myo Htun sees the villagers highly threatened through the cultivation of the poppies, but also acknowledges that it is difficult to find equivalent yielding alternatives for the farmers. Apparently, traders even started to pay the farmers with so called ‘Ya-Baha” pills (amphetamine), in order to get the drugs circulated. Official and armed forces also seem to be involved in this trade from various sides; however the topic remains highly sensitive as the researcher encountered silence when asking PNO leaders what they know regarding the cultivation.

Appendix 21: Data of Inlay Zone arrivals 2013-2014

<table>
<thead>
<tr>
<th>Month</th>
<th>MoHT</th>
<th>Zone fee collection counter</th>
<th>Tourist police</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 2013</td>
<td>5’423</td>
<td>5’830</td>
<td>7’130</td>
</tr>
<tr>
<td>May</td>
<td>2’641</td>
<td>4’820</td>
<td>5’013</td>
</tr>
<tr>
<td>June</td>
<td>1’997</td>
<td>4’236</td>
<td>3’588</td>
</tr>
<tr>
<td>July</td>
<td>3’434</td>
<td>3’802</td>
<td>6’339</td>
</tr>
<tr>
<td>Aug.</td>
<td>4’800</td>
<td>4’002</td>
<td>5’807</td>
</tr>
<tr>
<td>Sept.</td>
<td>3’612</td>
<td>4’125</td>
<td>5’507</td>
</tr>
<tr>
<td>Oct.</td>
<td>10’308</td>
<td>9’125</td>
<td>14’455</td>
</tr>
<tr>
<td>Nov.</td>
<td>17’023</td>
<td>16’571</td>
<td>24’640</td>
</tr>
<tr>
<td>Dec.</td>
<td>13’326</td>
<td>13’634</td>
<td>20’816</td>
</tr>
<tr>
<td>Jan. 2014</td>
<td>16’151</td>
<td>9’620</td>
<td>29’476</td>
</tr>
<tr>
<td>Feb.</td>
<td>17’659</td>
<td>10’823</td>
<td>27’718</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96’374</strong></td>
<td><strong>86’588</strong></td>
<td><strong>150’489</strong></td>
</tr>
</tbody>
</table>

Source: IID, Khaing Oo Swe
Appendix 22: Tourism Survey English example

To help us continue to look after Inle Lake and the surrounding hill areas for you to experience and enjoy, we greatly appreciate you taking the time to help us answer this questionnaire.

All answers will be used for statistical purposes only, and we assure you strict confidentiality.

1. In Inle area, are you travelling (Please tick ONE):
   - Alone (independently)
   - Independently with family (# people _____)
   - Independently as a couple (# people)
   - On a group tour (# people)
   - Independently with friends (# people)
   - Other (please specify)

2a. Are you visiting other regions in Myanmar on this trip? ❑ Yes ❑ No

2b. If NO go to Q2, if YES where else are you visiting in Myanmar?
_______________________________________________________________________________

2. What is your primary reason for visiting this area on this trip? (Please tick ONE)
   - Holiday
   - Visiting friends/relatives
   - Business
   - Pilgrimage/spiritual merit
   - Shopping
   - Conference/meeting
   - Other (please specify)

3a. Is this your first visit to this area? ❑ Yes ❑ No

3b. If YES, go to Question 5. If NO, how many times have you been before? _____ Times

4. How long are you staying in this area on this trip? ________________ Nights

5. Where have you been or intend to travel in this area? (Show MAP, tick all that apply)
   - Inle Lake
   - Nyaungshwe
   - Sangkar Lake
   - Pindaya, Danu SAZ
   - Kalaw
   - Kekku
   - Taunggyi
   - Pa-O SAZ
   - Other (please specify)

6. What are the activities you took part in when visiting this area? (Tick all that apply)
   - Visiting Pagodas
   - Boat touring
   - Trekking
   - Visiting the markets, shopping
   - Birdwatching
   - Mountain-biking/Cycling
   - Photography
   - Other (please specify)

7. How did you find out about this area? (Tick all that apply)
   - Tour operator
   - Guidebook
   - TV
   - Newspaper
   - Magazine
   - Internet
   - Travel brochure
   - Radio
8. Please tell us whether you agree or disagree with the following statements. (Circle ONE: 1= Completely Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5= Completely Disagree, 0= Don’t Know)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Happy</th>
<th>Neutral</th>
<th>Sad</th>
<th>DK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I know of many different places to visit in this area.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. Cultural, historic and natural attractions are easily accessible.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. Visitors can choose from a wide variety of restaurants.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. There are many transport options to the surrounding destinations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. Hotels and guesthouses offer good value for money.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. The service in the local hotels and guesthouses is excellent.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. I’m satisfied with service and food offered in the local restaurants.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8. I feel safe visiting this area.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9. The local travel agencies offer good value for money.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10. The tour guides are very helpful.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11. The local people are friendly and kind.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12. The local ethnic handicrafts and textiles are beautiful and unique.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>13. I have enjoyed hiking and trekking in the area.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14. My primary reason to visit this area is to see the pagodas.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>15. I like learning about ethnic minorities and their traditions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>16. Tourism in this region should develop sustainably.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

9. What are the two things you have enjoyed most about this area?
   1._____________________________________________________________________________
   3._____________________________________________________________________________

10. What are the two things you disliked most about this area?
    1._____________________________________________________________________________
    2._____________________________________________________________________________

11. How would you rate the following facilities and services (Circle ONE per very good, good, neither good nor poor, poor, very poor, don’t know)
11. A number of tourism developments have been proposed for this area. How appealing or unappealing do you rate them? (1= Very Appealing, 2= Appealing, 3= Neither Appealing Nor Unappealing, 4= Unappealing, 5= Very Unappealing, 0= Don’t Know)

<table>
<thead>
<tr>
<th>Development</th>
<th>😊</th>
<th>😐</th>
<th>😕</th>
<th>DK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Guesthouses</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Restaurants</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Transport facilities (boats, cars, buses)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Sings and info boards</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Trekking paths</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

13a. Is there anything you would have liked to do that was not available in this area?  
☐ Yes  ☐ No

13b. If NO go to Q14, if YES, please tell us what you would have liked to do in this area.

_____________________________________________________________________________

14a. Is there anything you would like to purchase that was not available?  
☐ Yes  ☐ No
Appendix 23: New Hotel Zone Inlay

The new hotel zone being built on the Eastern shore of the lake consists of three zones A, B and C. Each zone is reserved for local investors from Shan State, national investors and foreign investors. According to a confidential document provided from the Shan State Government, about 80 plots got counted on the map. Officially little information is known regarding the profile of the investors and the planned projects. One to two hotels however are already built and just started their operations as a visit by the RTDMP team witnessed.

14b. If NO go to Q15, if YES please tell us what you would have liked to purchase.

_____________________________________________________________________________

16. What is your estimated average spending per day in this area? US$____________

17. What is your age?
   - < 25 years
   - 25 - 34 years
   - 35 - 44 years
   - 45 - 54 years
   - 55 - 64 years
   - > 65 years

18. What is your gender:  
   - Male  
   - Female

19. What is your profession? 

20. Where do you currently reside? Country________________________

21. What is your Nationality? 

22. What is the highest level of education that you completed? 
   - Grade School/Primary School
   - Vocational/Trade/Technical School, College or Institute
   - High School
   - University Undergraduate
   - University Postgraduate
   - Other

Thank you very much for participating in this survey.
Appendix 24: PNO Structure & hierarchy

PNO Structure & Hierarchy

Legend:
* = Decision-making power

Central committee: to represent the PaO ppl at PaO conferences, representatives from different PaO regions

Chairman: also the Chairman of the PaO SAZ (3 townships)

Security: PNA used to be under Security-> but since PNO is an official party they are no longer allowed to have an army-> PNA (and its 1300 soldiers) are under the Eastern command (Myanmar Army) since 2010

Agriculture: Agricultural training Centre & technical support
## 9. Shadow Appendix

In order to protect the identity of some of the research participants, the following section is only available upon request to the Ecole hôtelière de Lausanne with the consent of the author.

### Shadow Appendix 1: Summary of interviewed people

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization</th>
<th>Minority</th>
<th>Location</th>
<th>Date</th>
<th>Remarks</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne</td>
<td>GM/Hotelier</td>
<td>Shwe Inn Thar</td>
<td>Inthay</td>
<td>Inlay</td>
<td>15.03.14</td>
<td>Short Discussion</td>
<td>104</td>
</tr>
<tr>
<td>Yin Myo Su (Misuu)</td>
<td>GM/Hotelier/Business woman</td>
<td>Inle Princess, Inle Heritage</td>
<td>Inthay</td>
<td>Inlay</td>
<td>15.03.-16.03.14</td>
<td>Notes from her various talks</td>
<td>104</td>
</tr>
<tr>
<td>Joshua</td>
<td>Director</td>
<td>Vocational Hospitality School</td>
<td>Inthay</td>
<td>Inlay</td>
<td>16.03.14</td>
<td>He joined us for breakfast with Misuu at the Hospitality School</td>
<td>104</td>
</tr>
<tr>
<td>Khun Maung Nwe</td>
<td>GM GIC/ Vice Chairman Parami</td>
<td>GIC/Parami</td>
<td>PaO</td>
<td>Inlay/PaO Taungyi</td>
<td>14.03-31.03.14</td>
<td>Several discussions/interviews Mainly GIC, Parami only symbolic</td>
<td>105-106</td>
</tr>
<tr>
<td>Khun Mghtee</td>
<td>Tour/Trekking Guide</td>
<td>GIC</td>
<td>PaO</td>
<td>Inlay</td>
<td>20.03.14</td>
<td>Trekking Guide for Kekku Trek</td>
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<td>Khun Aung Myin Kyaw</td>
<td>Tour/Trekking Guide/Restaurant Owner</td>
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<td>Nyaung Shwe</td>
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<td>Guide for Kekku &amp; Kalaw Trek, Translator for many interviews</td>
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<td>Khun Htun Oo</td>
<td>Manager Travel Agency</td>
<td>GIC</td>
<td>PaO</td>
<td>Nyaung Shwe</td>
<td>20.03.14</td>
<td>Short discussion regarding GIC tours</td>
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<td>U Malae</td>
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<td>Nyaung Shwe</td>
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<td>Short Discussion</td>
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<td>Khun Bi Kyaw</td>
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<td>30.03.14</td>
<td>Short discussion regarding GIC tours</td>
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<tr>
<td>KoKo</td>
<td>Tour/Trekking Guide/ NDP member</td>
<td>KTGA</td>
<td>Burman</td>
<td>Kalaw</td>
<td>26.03.-27.03.14</td>
<td>Discussion in Kalaw, Interview on the Trek</td>
<td>110-111</td>
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<tr>
<td>Sanny</td>
<td>Tour/Trekking Guide</td>
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<td>Kalaw</td>
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<td>Workshop Nyaung Shwe, Interview on Kalaw Trek</td>
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<tr>
<td>Alex</td>
<td>Tour/Trekking Guide/Owner of Trekking Agency</td>
<td>KTGA/NDP</td>
<td>Burman</td>
<td>Kalaw</td>
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<td>Workshop Nyaung Shwe, Discussion in Kalaw</td>
<td>109-110</td>
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<tr>
<td>U Doh Soe Min</td>
<td>KTGA Chairman/Tour/Trekking Guide</td>
<td>KTGA</td>
<td>Kalaw</td>
<td></td>
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<td>Workshop Nyaung Shwe, Discussion in Kalaw</td>
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<tr>
<td>Pyuu</td>
<td>Tour Guide</td>
<td>Independent</td>
<td>Shan</td>
<td>Nyaung Shwe</td>
<td>14.03.14</td>
<td>Short Interview</td>
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**Total: 13 people**
### CSO/CBO/NGO

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<th>Organization</th>
<th>Minority</th>
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<td>Barbara Bauer</td>
<td>Country Rep.</td>
<td>Inle Spaks</td>
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<td>17.03.14</td>
<td>Short Interview, followed by various discussions</td>
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<td>Martin</td>
<td>Master Student</td>
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<td>Various Discussions (short)</td>
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<tr>
<td>U Aung Khim</td>
<td>Chairman</td>
<td>Parami Development Network</td>
<td>PaO</td>
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<td>24.03.14</td>
<td>Long Interview</td>
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<tr>
<td>Saw Khun Kyaw Win</td>
<td>Secretary</td>
<td>Parami/ PYN</td>
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<td>Taunggyi</td>
<td>24.03.14</td>
<td>Short Interview</td>
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<tr>
<td>Dr Khin Than New</td>
<td>Founder</td>
<td>PaO Women Education Foundation</td>
<td>PaO</td>
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<td>24.03.14</td>
<td>Long Interview/Discussion</td>
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<td>Khun Aung Myo Htun</td>
<td>Founder</td>
<td>KSAN</td>
<td>PaO</td>
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<tr>
<td>Tun Tin</td>
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<td>PaO Youth Organisation</td>
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<td>UNDP Micro Finance</td>
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<td>Interview (without translator)</td>
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Total: 8 people

### Officials/Government

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<td>Kyi Kyi Aye</td>
<td>Senior Advisor</td>
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<td>Long Interview Important person within PNO</td>
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<tr>
<td>Khun Maung Hmwe</td>
<td>Young Activist</td>
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<td>24.03.14</td>
<td>Short Interview</td>
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⇒ See Na Py Taw Meeting & Nyaung Shwe Workshop!

Total: 3 ppl
## Villagers/PaO

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<tr>
<th>Name</th>
<th>Position</th>
<th>Organization</th>
<th>Minority</th>
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<td>- Old PaO Lady - Two other ladies - Other guy</td>
<td>- PaO</td>
<td>Nampan</td>
<td>21.03.14</td>
<td>Short Interviews with different 5-day market ppl</td>
<td>123</td>
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<tr>
<td>Rabbit Lady</td>
<td>Housewife/ Founder of Community fund</td>
<td>- PaO</td>
<td>On the Trek to Kekku</td>
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<td>Interview with village lady</td>
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<tr>
<td>Group of women harvesting turmeric</td>
<td>Farmers</td>
<td>- PaO</td>
<td>On the trek</td>
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<td>Short Interview</td>
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<tr>
<td>Weaving Women</td>
<td>- Former Chief Village</td>
<td>- PaO</td>
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<td>21.03.14</td>
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<td>Astrologer/Shaman</td>
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<td>Khun’s Uncle</td>
<td>Restaurant Owner</td>
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<td>Kekku</td>
<td>23.03.14</td>
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<td>Astrologer’s daughter</td>
<td>- 1st Lady - 2nd Lady</td>
<td>- PaO</td>
<td>Kekku</td>
<td>23.03.14</td>
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<tr>
<td>Kekku Market</td>
<td>Treasurer Stupa site/ PNO activist</td>
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<tr>
<td>Khun Mong Nunn</td>
<td>English Teacher</td>
<td>- PaO</td>
<td>Taunggyi</td>
<td>01.04.14</td>
<td>Long Interview</td>
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<tr>
<td></td>
<td>House owner/ Farmer</td>
<td>- Danu</td>
<td>Overnight stop Kalaw - Inlay</td>
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<tr>
<td>Garlic Plantation</td>
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<td>Stop on Kalaw Trek</td>
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<td>Short interview</td>
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<tr>
<td>Old weaving lady</td>
<td>Weaving/Farmer</td>
<td>- PaO</td>
<td>Stop first PaO village, on Kalaw Trek</td>
<td>28.03.14</td>
<td>Long Interview</td>
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<td>Lady who owns the lunch break house</td>
<td>Farmer</td>
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<td>Homestay Owner/ small shop owner</td>
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<td>Pa Htu PaO Village</td>
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<td>Long Interview</td>
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<td>Chief Village South</td>
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<td>Pa Htu PaO Village</td>
<td>28.03 &amp; 29.03.14</td>
<td>Long Interview</td>
<td>133-134</td>
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</table>

**Total: 16pax**

**Shadow Appendix 2: Interview notes**
PRIVATE SECTOR

Anne, Private Sector, Shwe Inn Thar Hotel
Inlay, 15.03.14
*Short Discussion with the GM of Shwe Inn Thar in the hotel lobby. All other RTDMP team members (but Anne) were also present. Anne has been an active participant during past IID projects. The discussion was held in English.

- Anne started rubbish collection initiative in village Inn Paw
- Rubbish/waste problem here -> need a recycling site, can not burn it -> she would like to have the land from the govern to burn the waste in tall chimney
- If someone wants to build a hotel needs permit from MOHT & Conservation
- She will open 2nd hotel on lake near by -> the last permit the government issued to build hotel on lake
- In a monastery they are already using a water/waste mngt system, sanitation starts from hoteliers-> then goes to villages
- She has most bookings from OTA’s & TO’s
- Since last year she has Myanmar bank account , and now she also accepts CC’s, visa actually since 10 yrs, but only since 5 months she can use it again
- Low season (June-August) occup rate 10-30%, right now about 40-50%, high season is from Oct – February reach full occupancy
- ADR = 170$, OTA = 150$, Avg LOS 2-3 nights
- Plastic bottles get recycled by private company in Myanmar -> for one empty bottle receive 25K, for can, beer bottle
- Hotel zone managed by Shan State Minister
- Hotel zone 623 acres, 3 zones A, B, C

Yin Myo Su (Misuu), Inle Heritage Centre & Vocational School, Inle Princess Resort
Inlay, 15.03.14
*Upon invitation by Misuu, the whole RTDMP team overnights at the Inle Heritage Centre & Vocational School. Notes of the various discussions held during dinner are below. All RTDMP team members (but Anne) plus Mart in were present. The discussion was held in English.

*Misuu is an influential entrepreneur from Inlay Lake, who has previously lived in France and attended a summer program at the Ecole hôtelière de Lausanne. The hospitality school got founded upon her initiative, one among many. Misuu has been an active participant during past IID projects.
- Seizes different business opportunities (olives, winery), wants to open an arts and heritage centre for lotus weave -> Italian luxury brand example...unique!
- SME’s need to get better supported, just as the big guys also receive support
- financing part far away, legal framework not even here yet
- Inle Resort helped GIC initially with training and set up of their resort
- most businesses here are Inthay owned -> when PaO signed ceasefire agreement, GIC first hotel which got permit to operate -> Princess helped & trained the staff

Inlay, 16.03.14
*The following morning, a longer discussion was being held. Joshua, the principal of the hospitality school joined the morning discussion.
- State owns in village / communities -> they only have the right to use it, but don’t own it
  ➔ but now, implementation process of transferring the land to the communities, land grabbing
- ppl in town (Nyaung Shwe) easy for them to get land as they are entitled to do so
- Nyaung Shwe Real Estate prices got up-> 1 Mil/ 1 Acre, same as in Bagan

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- Hotel Zone made Real Estate prices go up, as those investors were willing to pay any price for the land
- Commission system huge problem -> premium income doesn’t go directly to the local ppl -> not really beneficial for locals to produce tradit handicrafts etc -> hospitality sector way more attractive wages -> shortages!
- Ppl get very aggressive to get commission....
- Tour Guides earn 30$-50$/day, + commission for taking ppl to certain places
- Commission: 40% for jewelry goes to TG -> no ethics!
- Social hierarchy: TG feel superior, expect to have free accom., free food
- Depends on hoteliers here whether they want to use local products or not, she tries to, but comes with lots of commitment as hand made more fragile, comes from far away -> making your own better, big things from far
- Vocational centres important (artisanal)

Khun Maung New, GM GIC
*Several discussions with the GM of GIC were being held. As a former PNA underground fighter and having lived for some years in Thailand, he has a quite experienced with the PaO history. He is also the Vice Chairman of Parami Development Network and member of the PNO hoteliers committee. Most discussions were being held in English, with support from the PaO translator.

GIC Nampan, 14.03.14
*Only the researcher and the GM, English
- Most staff at GIC are PaO -> they concentrate on tours to the eastern hills
- Open since ‘96, first (PaO?) hotel on lake
- ‘99 opened reservation office in Yangon, 2nd GIC II opened on lake
- this one 40 Bungalows -> official limit
- most guests come from Tour Operator
→ tradit PaO shampoo & soap -> locals don’t like it as they prefer western like shampoo -> but for tourists?
- he further mentions that before, when they had over capacity, he used to send tourists to monasteries in the hills (paO areas) -> the government asked him then why don’t they send the over capacity tourists to other hotels in Nyaung Shwe as there are many hotels -> since then they do like this...
- But this week still sent 100 tourists to monasteries (prepared goody bag with tradit shampoo & soap)

GIC Nampan, 16.03.14
*Only the researcher and the GM, English
- soaps: there are two different types of soap
  - one darker, black: used around the lake (gets roasted)
  - one brighter, traditional, used in villages in the hills
- both are in powder form, sold (black one) in surrounding markets -> Nampan
- only one shop left in Taunggy selling tradit soap -> the shop owner always asks the GM why he buys in such big Qty -> for foreigners, as locals prefer modern soap
- FOR ME: need to find a way to upgrade/improve the tradit product to make it appealing to target customer
- he further mentions the soap can be found in all surrounding villages
- he has never thought so far introducing the soap in his hotel, but maybe?

PNO/GIC Headquarter Taunggyi, 24. 03. 14
*PaO translator, GM GIC, Dr Khin Than New, U Aung Khim, his secretary, the researcher*

- Discussion with Parami and PaO women foundation about tourism development and how to upgrade local products
  - GM: mentions the example of GIC -> other hotel shortly followed their business model of employing PaO from the mountains -> same might happen with concept of souvenir shop -> that others follow & provide opportunity for young ppl to be employed and learn!
  - He explains me the example of how he (GIC) started to conduct tours to Kekku & Samkar -> first he started to just go there and bring tourists there illegally, then he eventually got the permission by government
  - But need conductors there -> create jobs -> how to involve the local communities? They will get knowledge gradually...next generations
- He mentions the low-land project: as most PaO live in hilly areas/ mountains with bad soil condition -> he wants to move them down to lowland to plant rice and have the mountains become green again!
  - But problem: then only old ppl left in village -> hard to maintain the high schools....villages will die out

**29.03.2014 By Phone**
- GIC gives 6000K/guest to the hosting house/family + 2000K/guest for food
- It is packaged! They need to control this! On east side, treks are in their control -> even if other tour operators want to visit Kekku with their guests, organized through GIC
- Usually the hosting family cooks for the guests, they just bring some meat or so

**After the hotelier’s discussion Nyaung Shwe, 31.03.2014**
- after the hotelier’s meeting, asked GM about the current PaO villages where traditional handicraft is being produced
  - Pintaung (close to Taunggyi?): Bamboo material and baskets
    - He uses them in the standard rooms at GIC-
  - Pincho: Bamboo baskets
    - He has been here with tourists already
  - Saung Phoe: bamboo, traditional plants, lacquer ware (plates etc) made of bamboo
Khun Mghtee & Aung Myin Kyaw
Nyaung Shwe, 20.03.14

After the research methodology training the researcher is presented to the two trekking guides, upon suggestion from the GIC GM. The interview was in English with both guides and researcher present.

Khun & Aung
- Many PaO villages get cash advance from broker-> deposit house or so in exchange and promise to deliver their crop in a few months, price is usually set at that time and below market price
- If you need money, you do this
- The broker is usually also the crop collector-> like a middle men who sells it then further to the market, like an intermediary
- Many brokers exist nowadays in villages, compete with each other

Khun Mghtee
- **Past history:**
  - in 1999 started working for GIC
  - Has a F&B certificate from Yangon
  - In 2009 went to Malaysia to work in a factory, until 2012
  - Came back for the family and started to work for GIC again
- **General opinion on tourism development:**
  - The 2ndary industry (agriculture etc) benefits from tourism industry too! “it’s ok”, “we need more good policy”
- **Seasonality:**
  - Need to expand the current trekking routes, incl more routes
- **General:** GIC is not private, belongs to PNO

Aung
- **Past history:**
  - Just got back last summer from a 5 year stay in Dubai
  - Worked in the Atlantis the palm, different departments, Nobu
- **General opinion on tourism development:**
  - On one hand tourism good for PaO region-> but they need to be ready for this in terms of infrastructure, services etc
  - There is a committee of hotel& tourism at PNO-> they should be knowledgeable, but most of these ppl have army background and no experience in hospitality
  - PaO ppl do not really benefit at the moment, only indirectly
  - Inthay do benefit directly at the moment
- Need more ppl like the GIC GM need to offer the right benefits to attract the right ppl to the industry-> the ppl come from the committee/PNO need to support the GIC entrepreneurs
- But they cant focus on everyone as they have to take care of their families too/first
- Ppl in committee just follow old traditions, structure and rules -> need to listen more to the hotel ppl on the ground!
GIC Travel & Tours Agency Staff/ Other guides
Nyaung Shwe, 20.03.14

Khun Htun Oo, Manager GIC Travel & Tours
*No one else present, in English
- only limited number of villages to choose from for e.g having lunch because of distance and time (most villages are in the same circle, as most tours start about the same time)
- 1 day hike most popular -> followed by the 2 days/1 night thing
- according to him, no rivalries between villages
- a lot of garlic plantation, now it is garlic season too
- if tourism industry develops -> good for villages to develop too, more PaO guides than other minorities

GIC Tour Guide & English Teacher, U Malae
*Entered the office by chance, experienced tour guide and has previously been to Switzerland, in English, only Khun Htun Oo present
- In low season she travels to remote PaO villages to teach them English, but usually she works as a tour guide
- >30 PaO guides in the office
- GIC organizes PC/English classes in Taunggy
- She thinks tourism development is positive for the PaO regions
- She has been to CH before upon invitation

Nyaung Shwe, 30.03.14

Khun Bi Kyaw, Assistant Mngr Travel & Tours
*No one else present, in English
- Since 2008 working for GIC travel services
- Before worked in Taunggy PNO office -> they formed PNO in 2005
  o He went from village to village and spoke to the ppl
  o At head quarter in Taunggy about 20 ppl working
- He got supported by PNO scholarship for University
- He thinks the more tourists visit PaO area the better
- Explained me the 1 day trip to Kekku (trekking to Nong Khe, then by car to Kekku) -> most popular form of getting to Kekku
- In high season they have about 10 groups / week doing this 1 day hike
- More guests do the 1 day boat trip to Samkar -> more popular than Kekku
- Before 2013 Samkar controlled by GIC only -> but now open to anyone
- But only GIC issues permission for Kekku
Tour Guides on Kalaw, Western hillside trek

Kalaw, 26.03.14

*The discussion is being held at Alex’s office. Alex is a senior trekking guide and member of KTGA and NLD. People present: Alex, U Doh Soe Min, KoKo, Sanny, Aung Myin Kyaw, the researcher and Thommy (a CSO activist).

Alex, Kalaw Trekking Guide Association
- He has been trekking guide since 15 yrs
- Attended our Nyaung Shwe workshop
- The first 5 yrs of his career were good, ppl were innocent, but now different
  - Tar Yaur village example of increased tourism
    - Traditional way of living in longhouses gone because of increased jealousy with each other-> changed
- Nowadays they try to visit all villages equally
- Kalaw was built in 1906
- They just overnight in some selected villages as they offer more comfort than others where they just pass through-> they might be jealous, but since they don’t offer the same luxury can’t stay there....
- At the moment his dissatisfied with the application of getting a regional tour guide certificate, as it is very bureaucratic
- He is also responsible for media NLD Kalaw & the Kalaw Trekking Guide Organisation

U Doh Soe Min, KTGA Chairman
- MTGA: Myanmar Tourist Guide Association -> SSK South Shan State Kalaw
- In Kalaw they have 78 members, total estimated guides of 300 in Kalaw
- PaO are the 2nd biggest community in Shan State (after Shan)
- General Opinion on tourism development?
  - Many travellers now- -> more and more trekking- -> do trekking, stay in village, spend lunch there- -> Hotels, TGs become rich- -> but don’t give back to communities- -> they take most benefits and not the village ppl!
  - Increased rubbish/ waste- -> to be sustainable should share their profits!
  - Here in western part a lot of water shortages, need to manage their cattle
- How could the villagers be included?
  - Now more and more villages accept hosting foreigners, even though illegal
  - Apparently they signed a deal gov/ local authorities that they don’t take own responsibility (the authorities) in case of accident or so
  - It’s a grey zone, makes it sort of legal...
  - Also tourism police is here to help
  - Villages start selling beers, water, snacks, some do bag weaving- -> might be a way to include them?
  - Better to have private sector (hotels etc) invest in the villages infrastructure -> provide them with upgraded toilets- -> or they invest by themselves and then require higher prices form the hotels etc for the upgraded comfort....
  - Or teach them how to cook- -> so hotels don’t need to bring cook along!
- Gives example of a teacher living in a village (the one I am going to stay overnight on the trek later on)
- Thanks to her knowledge she upgraded her accommodation, toilets, clean etc-> earns a lot now- -> other villagers were jealous at the beginning, but they didn’t copy the concept (pride?)
  - Why did they not copy the concept? - -> lack of money, knowledge....
- IN villages-> all the agriculture farmers feel the same, go to the field everyday, but those opening a priv business or work somewhere else-> sort of excluded from the community....
- Mentality problem of the villagers! Because it was black area/ restricted before, although opened now, they are still careful now of foreigners-> think strangers bring problems, but on the other hand they also want modernization like solar panels, dvd etc
- Especially young ppl want to go to town and get education -&gt; some villagers moved to Yangon, but most ppl prefer to stay there
- Education & knowledge is key-&gt; to improve toilets, accommodations etc
- Other example a guy building a new guesthouse -&gt; but the tourists want to see the traditional way of living, not too modern-&gt; should be in balance, a bit of both...
- **In your association, how do you ensure that enough money goes/stays in the villages?**
  o In their association they try to make this a rule: that each village receives 200K/guest (and in return offer water & accom)
  o This money would go in common village fund
  o But not all members do this-&gt; some practice price war
  o Their goal is to create unified price
- The villages should have an association too like theirs (theirs is only 4months old, have different policies & rules in place)
  o They (association) try to collaborate with villages regarding waste mngt -> worried about future-&gt; if no more wood etc
- Alex's input: compare the two statements made by the chairman:
  o In one example the villages accept strangers (new guesthouses, home stays etc)
  o In other one, they are traditional and conservative...
  o Why?

*Kalaw, 27.03.14, First day of trek*

**KoKo**  
[shantawin@gmail.com](mailto:shantawin@gmail.com) Fb: Sai Y

- Even though the region here on the west seems greener & fresher than the east, KoKo says that it got drier & hotter in the past due to de-forestation
- Kalaw was built over 100 yrs ago by British, but there are signs of already early settlement 500 yrs ago (stupas)
- The farmers here harvest rice once a year plus some seasonal vegetables & fruits (garlic, onions etc)
- Trekking from Kalaw to Indein first started in 2001, in 2005/2006 was very popular....
- Kalaw Tour Guide Association: 4 headings: health care, social, environment & education
  o Ex health care: if villagers need ambulance, just call them and they arrange ambulance as they are good friends with the ambulance
  o if guide overnights at village-&gt; gives 2000K to family plus 200K/client which goes into village community fund -&gt; there is a person in the village who does registration by going from house to house & collects the 200K-&gt; chief villager & the committee manages the money
  o They the association do not take any responsibility over the money-&gt; it’s the village’s resp to handle this!
  o They do this together with the tourism police to have authority-&gt; by law they are not required to do registration (as all other hotels are), they only do this for the fund-&gt; village is very happy about this idea!
At the moment 5 villages participate in this idea
- In their association they accept licensed & unlicensed guides (unlike the Myanmar Association where they only accept licensed guides)
- Due to the increase in tourism in the recent years, he found the need to found this association to ensure tour guide quality -> due to the boom, many unqualified tour guides -> hence by building this association they can ensure quality!
- After lunch top at the viewpoint villages (Nepalese) surrounded by Palaung villages (plantation of tea & oranges) stop at a small shop on the trekking route
  - Tourists/trekkers mostly pass by it, if they buy sth-> softdrinks & water, but mostly locals on the route passing by buy snacks, beer etc
  - KoKo says it is up to the tour guide/ in his power to decide whether they will stop somewhere or not, as he needs to keep the tight time schedule! Not in the tourists power!
  - It’s a busy road there, as it is the main road from Kalaw, in the western part is a gold mine-> many locals pass by here
- Asked KoKo what he thinks about good/bad tourist behavior
  - It is the guide’s responsibility to ensure and educate the tourists in terms of conduct etc
  - But most tourists know how to behave he says
  - This yr only cases they had were 2 who refused to pay the full amount after done the trekking

Stop at train station/ village Myin Dike
- All trekking tours stop here for some drinks & cake
- According to rest owner: Trekking tourists just a small portion of their rev.-→ most rev. comes from locals
- Guides estimate about 10-20 tourists/day coming here to spend some money on drinks

NEW GUIDE: Sanny (old & loud gentlemen from the Nyaung Shwe workshop)
- Interesting background: previously worked in the army during 12 yrs as a sergeant, joined army in 1980
  - Then worked for the government for a while
  - Then became a meditator/ curator due to an encounter with a monk-→ healer by mind
  - Today part of NDP, originally from Mandalay Div
- Overnight house: built of bricks, upper floor big area with many blankets for at least 10ppl to sleep on the floor (see pictures)
- The organization is responsible for delivering the food to the house and to prepare it-→ there is a young guy who travels ahead of us by motorbike (receives 5000K/day), he cooks and bought the food in advance...

Evening 2nd day Trek 28.03.14, Pa Htu Village
- Is tourism/ trekking industry a threat or opportunity for the village?
  - Sunny answers: there are bad effects of tourism like de-forestation, drinking beer at monastery -→ for monastery this type of business is not suited (example of young monk who changed his monk living after having seen a western woman showering in her bikini)
  - But home stay (short) or simply passing by good
  - The owner did not answer....
Continuing trek

- Sunny tells me different background infos about this village
- The village is apparently facing deep internal problems
- The donation by the Korean tourist (for the school) very corrupt-> there is an education committee in the village consisting of 5-6 pax, they should pursue the upgrade of the donated school to a middle school, so it operates-> but hasn’t happened yet as they only follow their own interests
- Sanny says the chief is a good guy, but alone he can’t do much-> they (my guides) advised him on how to fill out the form to upgrade the school by himself
- On the trek: can observe newly built guest house a bit far from the trekking route
  - Sanny says it is built by a guy from Aungban-> but no one stays there, as it is far from the route-> the guy should have consulted the guides first before building (no market research done...)
- Continuing our trek: Sanny makes some comments (English/Myanmar) criticizing the PNO/PNA, as it is their responsibility to educate their ppl & children....
- Pass by another new guesthouse complex under construction, right next to the main road
  - Also built by a guy from Aungban, seems like a big parcel of land
  - Talking to the construction workers: they are planning to build some sort of family houses for 5-6 pax
  - Like homestay then, but probably more like guest house
  - The businessman is a broker (vegetables) from Aungban
  - He is currently seeking Myanmar trekking organization for advice

Other Tour Guides

Nyaung Shwe, 14.03.14

Pyuu, Shan Tour Guide

*Pyuu has been Dr. Anne Jensen’s guide and translator while on field research

- She is Anne’s Tour Guide for the next few days
- Tour Guide since 2 months, got trained in Loikaw -> it is the only training centre in the region for Tour Guides
- She likes traveling (reason for becoming a tour guide), Licenced Tour Guide-> Regional Card
- Reg TG are only concerned about this region-> only Inlay for her
- Licensed Tour Guides can travel freely in the country, but only getting trained in Yangon by MOHT
- She sees positive in hotel zone, it creates jobs & increased tourist arrivals need to get accommodated, but she is also concerned about environment as forest got cut off and many locals are worried too...

Nyaung Shwe, 25.03.14

Ko Htwe, Owner of Trekking/ Tour Operator Sunny Days

- He started 10 yrs ago by himself, leading groups of tourists
- Ex 45’000 K at package 2nights/3days incl 3 meals and 1 guide (Kalaw Trek)
- In his group all mixed ethnics (guides)
**CSOs/ CBOs/ NGOs**

**Barbara Bauer, Inle Speaks**  
*Nyaung Shwe, 17.03.14*

*Barbara Bauer is an American lady working for Partnership for Change. Having a corporate background, she has been active in Myanmar for quite some time now. The discussion was held at Inle Speaks Centre in English, with no one else present.*

- highest priority environmental training
- but also: to find different job opportunities for young ppl
- they needed to start somewhere for Inlay: started with English for the community-> English summer course for locals in hospitality + environment, its for everyone free to sign up, do easy exercises e.g directions etc
- created a cook book by English students-> for sale now
- Regional Tour Guide Association/ Conductors-> they helped them initially with logistics/ admin ->the building they got it from Misuu’s Dad
- Maybe having a community event
- Trained TG in bird watching, training for ppl in villages as well, also show movies (movie night)
- > start this summer new course, incl TG from hilly areas around too
- PaO areas: further develop their weaving / textiles industry -> train them here!
- Easy to transport
- Ywama has high quality silver & gold
- Art skills-> develop them more!
- Major challenge to have ppl from hilly areas to have them come down here
- How to send young ppl away to Inlay Centre
- Train educate in how to repair electricity etc
- Swiss model of apprenticeship

**Martin, French Geography Master Student**

*Various discussions were being held with Martin in Nyung Shwe. As he was writing his Master Thesis about Inlay Lake, several points of common research were found.*

- 14.03.14: He mentions PaO are quite involved in agriculture, many oranges & cheerot they are selling on markets
- 16.03.14: Soap and Bamboo -> PaO very good at producing local gift handicrafts
U Aung Khim, Chairman Parami Development Network

Taunggyi, 24.03.14

*The interview was held at the GIC/PNO headquarters. Other people present: PaO translator, GM GIC, Dr Khin Than New, U Aung Khim, his secretary, the researcher. Main Language was PaO with Aung Myin Kyaw translating, several times English words were spoken. The GM GIC arranged this meeting.*

- PNO stopped in 1996 -> negotiated in ’91 -> later PaO changed into politics
- Parami is active in development -> new name, but they have been active longer
- Their focus lies on education
- PaO villages compared to other ethnics have lower educational standard
- They require each village to have at least one school
- If they don’t have a building the PNO requires them to build school built of bamboo -> school becomes more sustainable built by themselves
- Only few government support, most support comes from PNO
- Japanese NGO supported many projects (150 buildings)
- They need at least 5 teachers in primary school, but government only supports them sometimes with 2-3 teachers -> they need to find the remaining ones by themselves in the village (ths why the women were donating the peanut oil in Kekku...)
- I suggested to also teach about tourism & hospitality, but they are very restricted in terms of curriculum as the gov decides over the teaching content, and according to the Myanmar education system they need to learn and cover the basics first, as tourism is more for advanced studies in college etc
- Parami’s focus lies on ensuring that each village has access to education -> still in process and work to do so -> many remote areas....
- They would like to incl PaO literature in curriculum
- His future vision for the PaO youth
  - For the young ones not easy to go back to what their parents were doing -> population is growing -> not enough land here for everyone!
  - Many PaO are enrolled in studies in Taunggyi
    - In Technical college 3000/6000 are PaO
    - In University 5000/15’000 are PaO
  - He wants them to get a job in the private sector later on once FDI starts to be more
  - Problem nowadays: only a University certificate is not enough -> need more to get a job
- He would like to ask the international NGOs not only for material, but also courses
- He is more interested in giving young ppl a job -> he is more concerned about the young unemployed PaO
- Is IID still present? Projects still going on, but they could not finish as they lack foreign expertise -> IID should re-do the project in the future!
- The main thing they would like to focus on is environment, but they need international assistance
- In some textbooks they do already learn in middle school/primary school, but it is a long process
- They can not command the ppl anymore like before elections -> they could tell ppl to not cut trees anymore etc
  - About firewood usage: 10 homes need about 5000 pcs of fire wood
  - He is highly concerned about this, but again, they can not prohibit the ppl from certain practices, the gov should do sth
- Told them about my (tourism development) project -> their opinion?
He answers: agrees with what the lady said, they need to upgrade existing products, but ppl need the knowledge in order to upgrade existing products-> education is key!

Parami Development Network (PDN)

Chairman: U Aung Khim
Vice Chairman: U Mya Maung
Vice Chairman: GM GIC Khun
Secretary PDN, Saw Khun Kyaw Win
* He is the secretary for the Chairman

- He is also in PYN-> Assistant Secretary, has been involved since the beginning
- New project together with UNDP (see pictures) about capacity building in villages
- Main objective: that the young ppl work for communities, on two sides:
  o Political (with PNO)
  o Development (try to work with other NGOs)
- Tells the villages about PYN-> hope that they join
- He tries to form a network with all the various organizations (PNO, Parami etc)

Dr Khin Than New, Director of PaO Women Education Foundation
Taunggyi, 24.03.14

*The interview was held at the GIC/PNO headquarter. Other people present: PaO translator, GM GIC, Dr Khin Than New, U Aung Khim, his secretary, the researcher. Main Language was PaO with Aung Myin Kyaw translating, several times English words were spoken.

- Told them about my (tourism development) project-> their opinion?
  o The Lady from PaO women foundation answers...
- She is working on this kind of project in the education foundation-> training the youngsters in rural areas-> train them to become a teacher (English)
- She wants to open a souvenir shop under the foundation and sell different local products in Kekku
- But they lack the knowledge in terms of technical assistance-> how to upgrade those products? Where to manufacture them?
- She sort of has a plan-> but needs investment/ funds first
- Does not know how and where to get the supply needed to produce the products for sale
- My question: arising rivalries between villages due to development?
  o She does not think rivalries might arise from other tribes...
- She does not have big projects, but she acts like a middle men-> they give students advice on where to study and take different courses depending on their interests
- Also plans to open a PC shop
- Currently 200 members, office staff 6
- 46 students from 14 villages sent to Yangon for English training -> come back later and be teachers
- plan to open and offer 5 more courses after water festival
- there are two more PaO women associations-> 1 religious one  and another cultural one
  o I asked: why not merging these 3 PaO women organization into one?
  She asked back: who will lead it?
- They need leaders!
- She continues regarding young ppl and job opportunities-> not many young ppl are interested in agriculture...
Khun Aung Myo Htun, Founder of KSAN
Taunggyi, 01.04.14

* The Interview took place in KSAN’s headquarter after they finished a meeting. No one else but Aung Myin Kyaw was present. The Interview was held in English, with some translations by Aung. Khun Aung Myo Htun is a friend of Aung Myin Kyaw’s friend.

- **Introduction/ Brief Overview?**
  - KSAN founded in Jan 2010 (by him and some others)
    - He finished school in Chiang Mai, then came back to Myanmar
      - He and his friends came together and discussed the PaO situation -> at that time, there were no CBOs yet in place
      - The felt the urge to create an organization which represented the PaO ppl, and listens to the local’s voice
      - Using their voices to approach the government then
  - They also had photo exhibitions about the environment & human trafficking here in Taunggy during the PaO National day last year
    - At that time, they tried to improve the villagers environmental knowledge -> he wanted to share his experience and knowledge from Thailand to University students-> to improve their critical thinking!

- **Now:** work in youth empowerment, train the PaO youth about democracy, human rights, constitution etc
  - After the empowerment the idea is that they will then go back to their village and share their knowledge
  - They also work in community development: empower them and make them aware-> discuss-> find out what are their problems?
  - Many problems come up in rural villages such as: land confiscation issues, mining issues-> help them what they can do it
    - Sometimes no action from PNO side when they (the villagers) contact them...hence they need to look for other ppl (CBOs) to help them
  - He believes citizenship’s participation is crucial for Myanmar’s democracy process
    - They try to show to the villagers how the economy& politics are interlinked -& how they (the villagers) are also affected by polit decisions
  - No rule of law: widespread use of illegal fertilizer
    - Lack of market knowledge for villager’s crop-> they just grow their garlic every year -> they don’t now where & how to sell it for the right price
      - The garlic didn’t do anything against the chinese cheap garlic import
      - What can the locals do about it?
      - The government/others need to help them to find a market, train them how to grow high-quality garlic-> they need technical assistance & marketing
    - If they stick to garlic-> no money-> more ppl plant poppies-> they get higher yield like this!
    - Chinese businessmen benefit from the poppies-> armed groups cooperate with them-> Burmese army too!
  - Poppies are a problem for PaO-> they don’t want to do this as it is illegal but no choice...no alternatives
    - The young ppl lack job opportunities, for the young graduates-> they hence go beck to their communities and do like what they family have been doing, growing...
    - Soil is getting worse due to heavy use of fertilizer -> how to survive and escape the cycle?
  - They sell the raw opium to the broker, way below the current market price
    - The broker partly pays them in cash, party in pills! (Ya-ba)
    - They go back to their village and sell the Ya-ba
It is now easily available everywhere, and cheap!
In Hopone a lot, east in Shan State
1000K/pill -> easy to get! Increasing number of drug addicts

Tourism?
- Critical -> first research the PaO national identity -> what are traditional PaO products? Bag? Basket? Living style?
- Now only Kekku trekking -> small compared to the whole PaO area...
- PaO ppl need to know about tourism

Example of ADRA (Australian NGO) adramyanmar.org
- They had a vocational training centre (handicrafts, arts etc) in Aseng Seasy -> of the 3 SAZ towns
- ADRA organized/formed committees in vilages and trained them how to work on projects
- Training: Handicraft making, fry soy beans/ potatoes, sew sweater
- But now, they don’t do it anymore -> after monitoring/evaluating: it didn’t work out as ppl could not afford the capital investment to buy the machines need in order to continue the learnt work!
- Didn’t know where to sell the products, lack of market knowledge!
- ADRA started a different project now....

Other issue for PaO -> most of them do not speak Myanmar!

His vision of the PaO region?
- Need to cooperate! Young ppl need to be involved!
- They have complicated relations to PNO: the PNO thinks they are under the control of other parties/org...
- IN 2011 they approached the PNO to ask them for advice regarding the role of young ppl?
- They (KSAN) work with all parties, but he thinks the PNO only works with USDA (ruling party, military)
- He thinks the PNO is under the control of the ruling party and the Eastern command
- If they (KSAN) would be under PNO, could not talk as freely/criticize as freely as now
- IN 2011 had issues very hot issues here in Burma
- He tells me the story of the PNO taking land of farmers 20yrs ago and then, they sold it back to the villages...
- Since then their relationship to PNO not so good...

As the PNO is a political party, it is difficult for them to be involved in social problems

There is the PaO cult & lit. org., the SAZ and the PNO
- Too many? Many ppl are confused about who to contact when they have problems...

Vocational Organization Myanmar: they go to rural areas & do vocational training
- PaO ppl are not used to be entrepreneurs, not used to -> need to change their mind set-> need basic training in business!
- There exists an organization in Yangon who helps (see business card) farmers sell their unique products directly to companies/market
  - Called Myanmar Fruit, Flower and Vegetable Association
  - Helps villagers to form committees -> how to export...
  - To avoid broker, look for a market for them
- They need the young and educated ones to go back to their native villages and to teach them (not to farm again, it was set a bad example as: he studied but only becomes a farmer, why studying?!)
- Plus farmers need to know their value, need to be aware of their important role they play for society (supply of food!)
- Their mind set needs to change!
- They (KSAN) mainly target youth, they try to link youth with training/workshops in Thailand, scholarships etc
- Try to have a longtime program-> now small grant program by US embassy & American Jewish War service & Pongu (regional donor, who distributes money coming from different government/agencies e.g swiss aid etc)
- They try to connect to the National endorsement for democracy (see their website)
- In the office KSAN have 15 ppl working, but about 30 members in total
- They do not only concentrate on PaO-> also Danu, Kayan, Shan, Inthay, Palaung etc

**Tun Tin, Secretary of PaO Youth Organisation**

*Taunggyi, 02.04.14*

*The interview was held in a restaurant in Taunggyi. Tun Tin is a friend of the researcher’s friend. The interview was held in English, with Aung translating sometimes.*

- Founded in 1998-> he just came back from Thailand, where he (and the organization) lived for 10 years
- They have 8 Full time staff and 40 members
- They work on environmental issues, mining -> look at impacts on local communities, land confiscation
- Before they worked at the border line-> training schools for young
- Since 2013 they are back to Myanmar

- His opinion on tourism for PaO (opportunity or threat?)
  o Create jobs, handicrafts, many caves in PaO region
  o But PaO are very traditional, linked with religion, monks are very powerful
  o Tourism also brings modern things -> monks might not like this...
- Many PaO worked abroad and are now coming back home-> this experience gave them new ideas
- They need community capacity building, tourism training in villages etc
- PNO = political party, do lobbying....
- Before '96 no poppies in PaO region-> it brought many problems to PaO villages
  o Need to find substitute crops -> they also need marketing...
- Avoid broker system/poppy cultivation-> show them how much they could get otherwise...
- PNO knows the situation well, as they have the mandate for this region...
- SAZ good for PaO as they can speak to government, have a say in gov decisions-> but not enough in terms of rights
- PaO are a small minority group-> not good having so many small subgroups-> difficult to find a common one...
- They have 2 political groups and 2 armed groups -> who represents the PaO??
- Wants to set up a tourism travel agency (similar to GIC)-> need to register and then conduct tours to villages to show tourists the different minorities
Branch Manager, UNDP Micro finance Nyaung Shwe
Nyaung Shwe, 17.03.14

* While passing by the UNDP house in Nyaung Shwe, the researcher decided spontaneously to enter. The Interview with the Branch Manager was held in English, although severe communication barriers were existent due to language issues. No one else but the researcher was present.

- Since 1997 Sept: give loans to Agricult, Rest, trading
- 5 townships in Shan State:
  - Nyaung Shwe, Pindaya, Yuanna, Pinlaung, Kalaw, Tyan Me...
- Criteria to receive loan: min amount 100’000 K - max 500’000 K
- Main problem working in rural areas: PaO language
- Kalaw: headquarter of UNDP Micro finance, in Taunggy most projects
- Avg branch has 15 staff-> total of 5 branches in each township
- Per branch approx. 4’000 borrowers (1 borrower = 1 household)
- Avg loan amount 1 borrower approx. 200’000 K
- Max 2 loans possible per borrower
  - Agriculture: max amount 500’000 K
  - Business loan: max 500’000 K
  - Health & education: max 50’000 K
- Interest rate 24%/year-> 2%/month
- If the borrower dies, the household does not need to re-pay the loan!
- If new born: household receives between 30’000-100’000 K per baby
- Also possibility of opening a saving accounts
  - 15%/year-> 1.75% interest / month
  - compared to the gov bank KBZ only offering 0.8%/month good deal!
- If a disaster (act of god) happens e.g whole crop gets destroyed by bad weather-> no need to repay the loan! Plus, receive 100’000 K!
- Regarding PaO: their main activity in agriculture, no trading, cheroot cigarettes leaves, tamarind
- General Info regarding UNDP Micro credit: operate in 3 zones in Myanmar: Shan, Delta and dry zone (Bagan)
- Headquarter in Yangon lead by a Bengali
- Most staff are Burmese

GOVERNMENT/ OFFICIALS

Kyï Kyï Aye, Senior Advisor MoHT
In the car to Na Py Taw, 12.03.14

*Discussion was held on the route, in English. Mike, Andrea and Khaing Oo Swe were also in the car.

- independent tourism consultant, worked for prev. govern -> very knowledgeable
- Local community needs to be slowly independent in tourism industry through hosting/ accommodation -> but slowly opening
- They do not have the knowledge/ capacity yet about the tourism industry dynamics to be fully independent yet -> has to come step by step through education
U Khun Maung Toke, Patron PNO
Taunggyi, 25.03.14

*The interview was held in the Patron’s house. Only PaO was spoken, Aung translated into English. People present: Patron, Aung and the researcher.

- Personal Information
  - After having visited the PaO national museum, moving to the PaO literature & cultural centre where the PNO patron lives
  - He is retired now, used to organize twice a year the PaO football league cup
  - He also used to lecture and travel to different states to lecture the local PaO ppl regarding politics etc, but now he only writes lectures
  - When they draw the 2008 constitution he was one of the 10 PaO representatives (it took them 14 yrs to draw it)
  - PNO got united in 2010 from 2 organisations

- His opinion on PaO development
  - Have peace with government since 1991 -> since then work with government on infrastructure improvement, education etc

- Future vision for PaO area?
  - Until 2010 was not open yet-> but after 2010 could start developing PaO rural areas-> PNO key player
  - They invited foreign NGOs to hold workshops & trainings in Yangon, through the help of NGOs and their trainings the ppl can lead in their villages by themselves
  - To carry on the planning from the IID report 2012 need to go to the villages to train the ppl
  - Prior to 2010 there was nothing in the PaO areas-> they need everything from A-Z!

- Is tourism development in PaO areas (trekking, visitors) a threat to local culture or an opportunity for development?
  - Before ’96 he & chairman of PNO hey went to minister of MOHT to draw the plan for GIC development-> that government agreed on building GIC-> so he was one of the initiators of GIC
  - Due to tourism development in PaO areas he only sees the positive aspects at the moment, not the negative yet-> example of tourist who stayed at GIC hotel once donated a school to Kekku! Or for the young PaO ppl working at GIC big opportunity to learn & get knowledge!
  - GIC is not owned by PNO, but by every single village, as they each had to donate a bit (?) -> that’s why they have to re-invest all profit in to the village development....

- Football tournament?
  - 1) PaO like traditionally football and are strong built and
  - 2) PaO are spread out nowadays-> the young ppl want some new things-> organizing the PaO national cup-> 100 teams (each 20 members) -> 200 young ppl included!
  - To motivate them instead of having them drinking....during 15 days they play
  - They started to include other tribes (Pdaung, Shan...) too in the tournament-> the Padaung won the cup last time-> to create unity!
  - The 2nd tournament on PaO national day they also have about 60 teams playing, starting a week before N-day

- Optimistic for the ethnic rights, SAZ, future?
  - Generally optimistic, because now they have definitely more rights
  - Compared to other ethnic minorities PaO always have been left behind in terms of education, agriculture etc
Hopes for 2015 PaO ppl will be more educated than ever before and vote wisely to ensure their rights & power!
Before, the state was only symbolic as everything was managed from central government anyways....
Now, they don't have the power yet to organize their own state....he wants more authority & power for SAZ
They (government) can not turn back the time as many minorities are asking now for SAZ!

- Asked him about the corkscrew example the PaO guy from Kekku gave
  - He doesn't think you can put back the cork so easily-> many activists are active in current government-> many of them have studied/ lived abroad and are now back-> new generation and polit. Active!

- Many papers talked of tensions between minorities (Inthay, Shan...), because PaO receive a lot of attention recently...?
  - It is true partly, but Inthay and other minority not so serious yet but Shan!
  - Longtime ago in ‘48-’59 Shan Chief collaborated with past gov and they burned down many PaO villages etc
  - Now: a Shan lady in parliament tried to show that the expenses from Danu & PaO SAZ are bigger than the ones from Shan State-> tensions still there!
  - PaO allowed to have the PNA together with gov., but Shan National Army is still in peace process (hence not reached peace yet...)

- What makes the PaO ppl different from other minorities?
  - 1) they follow what their religious leaders teach them (monks)
  - 2) They always pay respect & believe what the PaO leader asks them to do
  - PaO ppl are good followers, but they don't like to lead!

Patron PNO Follow up interview
Taunggyi, 01.04.14

*A follow up interview with the Patron was being held in his house, as the researcher encountered a couple of questions to be answered while being on the treks.

Questions to be answered
1) Structure of PNO?
2) Split PNO- PNA- PNLO?
3) Business activities of PNO?
4) Flower <-> tourism development: how will they affect each other?

Discussion with him
1) See separate document PNO Structure & Hierarchy
2) Split PNO-PNA-PNLO?
   - PNLA: communist party from the beginning on
   - He tells me brief history of PNO:
     - IN ‘49 became underground organization
     - IN 50s came back to gov
     - UNPA party + rebel party PNO merged in 2010, united to the PNO party

My questions:
- as a political party, how many members?
  - (could not answer)

- As a political party, do they distinguish between villages which are PNO member in terms of support and those who are not?
He says for them it doesn’t matter who is member or not, they focus on PaO villages which lack certain facilities e.g school, etc.

3) See separate document PNO Structure & Hierarchy

4) Flower <-> tourism development: how will they affect each other?

- Government was planning to stop poppy fields by 2015-> but they just extended it to 2019
- Part of PNO’s duty is to find a substitute-> but even the gov can’t find an alternative, not even UNODC
- Those regions are mostly very poor, no school, nothing
- We (PNO) can’t just say no to them (the ppl) -> it’s the gov duty to help and find an alternative for them!
- 2yrs ago UNODC planned to substitute the flowers by other crop -> they meet with PNO to do project in Hopone -> but no real changes!
- In 1993 he draw a plan to protect the ppl and advise them not to grow opium anymore-> but now, the PNLO wants to stop growth too....
- Before, the PNO campaigned/destroyed a lot of poppy fields, but villagers got angry -> since then PNO does not want to be included in these issues too much anymore-> the government should take care of it

My question: who is controlling this actual trade/ business then? My assumption Shan State Army?

- Sensitive, he talks to Aung for like 10 min and Aung tells me he will tell me later what the Patron said, but it seems very sensitive...
- Apparently, the Patron told him that the government is collecting taxes from the villages producing/planting poppies-> the officials (police, officiers etc) are not really interested in stopping the cultivation.....

His Grand-daughter

*Steps into the kitchen, lunch is served

- Just finished high school
- Sometimes she works as a conductor-> she told me in recent years increasingly more Germans, French and Japanese visiting Kekku$
- Usually they do the 1 day trip, mostly from Nyaung Shwe
Khun Maung Hmwe, Young PNO activist
Taunggyi, 24.03.14

*Student in Economics at Taunggy University, PaO and PNO activist. Discussion held in the lobby of PNO headquarter, in English. People present: Khun Maung Hmwe, Aung and researcher.

- alongside studying he is active for PNO
- his vision for the PaO region: now many villages start forming CSOs/CBOs -> many organisations spread out, he would like to have those many org united & working collectively for the PaO issues
- Only a few Youth work for PaO issues-> need more Youth involved!
- Does he see a future in tourism for PaO?
  o There will be more tourism in near future, as they still have a lot of interesting, but yet restricted places in PaO areas-> potential there!
  o Compared with other regions, they still lag behind-> they need to be prepared! But he’s optimistic for the future!
  o What does he want to do after studies?
    ▪ Become active for political issues for PaO
  o Own PaO state not possible/ realistic for the next 8-10 yrs, as too many political/ interests/ powers in the current government....they even want to remove the SAZ status!
- How to motivate the young ppl living in the rural countryside to get active for PaO issues?
  o Difficult to motivate new generation-> how to prove them the job opportunities?
  o Even though they give training to villages, form groups, but working as volunteers not too appealing for many youth...

VILLAGERS

Villagers on the Eastern hillside trek
Nampan, 21.03.14

Nampan 5 day market

- Trekking Guides explain: two types of PaO coming here: those living on the lake and following the 5 day market and those coming from the closer mountain villages -> usually just come to this one Nampan market
- Old PaO lady: selling herbs, vegetable and ginger
  o She comes from a village 16km away
  o When she was younger had to walk for 3h, but nowadays truck/ motorbike only half an hour.
  o She follows those markets which are closest to her house-> tomorrow Taung Toe & Kyauk Dening
- Two other ladies: selling flowers
  o Coming from a closer village, only 20 min walk
  o At home they also have garlic & turmeric plantation
  o They also used the opportunity to buy some other stuff here at the market
  o Are just about to leave (9am) to walk back home
- Other guy: selling oranges
  o from same village as the prev two ladies
  o he bought the oranges from Kalaw/ Aungban
o on this eastern hillside not many oranges as they need better/ greener climate to grow-> hence he buys them on the Western hillside and sells them here

On the trek

Stop in first village, after 15-20 min walk

- Rabbit lady
  o Gift from an American UNDP lady: initially only had 2 rabbits
  o For 6’000K she bought a cage, they eat a bit of food (not much)-> reproduced quickly, high demand from different restaurants for the rabbit-> today she already received a return on her investment of 130’000 K-> with the profit she bought solar cell for energy
  o She is part of a group of 16 people (mostly women)--> together they save money each month-> if someone needs money, can borrow money from this common fund
  o They only charge a very small interest rate, but after the first 6 months the interest rate gets doubled
  o Now in pot = 13 Mil Kyat
  o They started about 1.5 yrs ago, every 10 days pay 500 K in there
  o Also save rice-> every household 1 small cup of rice-> now have 2 big tanks full of rice
  o The whole village participated in the rice bank
  o Before they had problems with village chief-> corrupt and took all money
  o The lady introduced the money saving system-> got the idea from UNDP Microfinance-> but she though, why giving the interest rate to external ppl-> with her system, the interest rate stays within the community
  o Salary here: 4000K/day for Carpenter, 2000K for farmers

- Group of women harvesting turmeric on a hill
  o Very hard job
  o 1.25kg dried Turmeric yield 500K
  o Not very profitable business
  o Aung mentions the villagers should try to plant various fruits/ vegetables like avocado, banana, taro, pineapple etc

On the trek, 22.03.14

- Pass by clay making/ group of 5 men (pictures)
  o They only do this in hot season, buy the rocks and sprinkle them with water-> then smoke/ roast them in fire whole during 36h
  o Sell the powder (clay/ cement for 1200K/ bucket, approx. profit of 50’000K during 5 days-> 10’000K/day-> high demand! Sell it to the villages

Village Nong Khe (approx. 800 households, big monastery)

- traditional weaving women
  o 4 women weaving traditional PaO bags
  o per day produce about 2 bags, depends on size
  o Then they may stick a design on them, sell them in the villages, probably to a broker (in rainy season they dry cheroot leaves)
  o One bag costs about 5000K, but for them only 2000 profit left-> especially in hot season they do the weaving
Sometimes they see/ have trekkers stopping by at weaving, they generally don’t mind tourists and like to see foreigners and different people.

What do they think if tourism/ trekking would increase more?
- Even the chief of the village tells them it is good, tourists buy sometimes bags-> the chief said this is a good way for them to show to the tourists their skills
- They should maintain their traditions she says, when tourists come by they should be able to see their traditions

She says even the youngsters are still interested to do it.

Even kids come and do it, some men can also do it.

- **Visit of monastery Nong Khe**
  - Full of school kids-> they are attending summer school to learn PaO language & culture
  - Normal school curriculum does not teach anything PaO, hence the ppl from the head office in Taunggy (PNO) urge the villages to do this and most villages participate
  - 2 months of summer school, most kids are in middle school and have a basic knowledge in writing
  - A monk is managing the exams-> all villages have the same exam on the same date
Villagers in Kekku (Eastern hillside)

Kekku, 23.03.14

General Observations Kekku:
- Very small rural village, consists of different parts-> all houses spread out
- In the morning (8am) counted up to 11 tour buses with domestic tourists
- Kekku divided into 3 parts: west = 56 households, east = 65 households and north = 65 households (Ex Chief village)

Walk through village:
- Women working on crushing peanuts
- The peanuts belong to all villagers (donated by everyone)-> each household to donate a basket full
- Used to make peanut oil for festivals in village, belongs to everyone-> same with rice
- Some oil is also donated to the teacher (later on found out that not all villages receive enough teachers from the gov-> need to hire addit ‘volunteers’ who usually get paid by food....)
- If someone does not grow peanuts-> has to donate the equal amount in monetary value

Khun’s Oncle/ Astrologer
*Khun Mghtee arranged this meeting, as the old man is his uncle. The whole family is present, as well as the two trekking guides. Only PaO spoken, Aung and Khun act as translator.

- they grow rice-> once rice is planted and harvested they plant soybean on the same field
- besides rice and soybean also plant turmeric and flowers
- he also works as an astrologer/ curator in the village-> sign of the many gifts received by the villagers (room is full of flowers, banana etc)
- The family has 7 children: 1 a monk, 1 has a restaurant next to the stupas, 1 works as the vice-chairman for PYN
- Sometimes the GIC tour guides take foreigners to his house to see him-> he would like to see more tourists/ foreigners -> as he is too old to travel abroad and see them, he is more than happy to have the foreigners come here and see him!
- Education is the most important thing-> so they can communicate with tourists-> and they (the tourists) should share their knowledge with the locals!

Former Village Chief
*Again Khun Mghtee arranged this meeting at the former Chief Village’s house. His whole family is present, as well as the two guides and the researcher. A neighbor also joins the discussion. Only PaO spoken, Aung and Khun act as translator.

- different house now, find some wild cotton and dried squashes which are used as a traditional water container
- The old man used to be twice (for 3 years each) the chief village of East Kekku
- He also thinks more tourists should be coming-> they don’t really expect any benefits from tourism, unless tourists stay a bit longer in the village to teach & educate them (the lady’s opinion)
- Khun advised them on starting growing different products, such as avocado, taro, vegetables to supply hotels& tourists for the future
- They also sell dried squash-> water container, big one = 1000K, small sells for 500K
As the chief village you can motivate/ influence ppl, sometimes he also acts as the judge for small cases, otherwise it goes one level higher up
- One hierarchy higher-> village chief of whole Kekku (see also hierarchy diagram)
- There are no police cops in the villages-> villagers report to the chief and he decides over the case! But the general Myanmar constitution is still above all!
- **Future vision of him for the village:** depends on crop price whether high or low (but why don’t they think about a different industry outside agricult.?-> he asked me then which one?)
- Their hopes lie within the young generation, with increased knowledge & education hope that the young will find a way to change the system of agricult.
- The dried squashes are mostly purchased by the locals, but not the foreigners
- I proposed them to upgrade their current products-> make vases, with nice design/ ornaments-> maybe tourists would buy it then?! Lack of knowledge!
- Old man further says most PaOs don’t like to be a leader, they feel a lot of pity to ppl-> difficult for them to judge over cases

**Restaurant owner near Stupas (daughter of the astrologer)**
- Domestic tourists now in high season from March- April, for Internationals form Oct-Febr
- Present and last yr def more tourists (domestic & internat)
- During busy peak days they can sell food for >100’000K, in rainy season only between 15’000-20’000K (only 4’000-5’000K profit remains)
- Restaurant is run by the two sisters
- How to compete with other restaurants: they serve small portions as foreigners & domestics eat little
- Her opinion on foreign tourists: yes, it is good to have -> she likes the fact that tourists pay here to shop owners local prices

**Walking through the market next to Stupas**
- 1. Lady selling shampoo in plastic bottle, and a lot of other stuff like garlic, sunflower seeds, beans etc)-> all homegrown
  - good days she can sell between 10’000-20’000 K, on bad days only between 3’000-4’000K (again, why not upgrading the design/look of current products?)
- Many shop owners/stalls sell exactly the same palette of products
- Another old lady: sells in addition bamboo baskets
  - Shampoo & honey in plastic bottles, green tea
  - Again: why not upgrading look/ design? She answers, even with this basic look she sells too many and more than she actually has-> high demand from the domestic tourists!
- But no one sells products targeted at international tourists-> no photo frames, no souvenirs, cards-> potential?

**Evening**

**Discussion with Khun Mong Nunn, treasurer of the Stupa site**
*Khun Mong Nunn works at the entrance fee collection point of the religious site and is a close friend of the GIC staff. The discussion was held over dinner, with the two trekking guides present and two more additional friends of them. Only PaO spoken, Aung translated into English.*

- tells me the story of the British-Anglo wars that during the British ruling the PaO were left out in terms of education etc-> not educated enough to decide over their own state during the state building process-> e.g. Kayan State has less population than PaO but they do have their own state
- His personnel view: upgrade existing sub-townships to proper, own townships like this they would be recognized as PaO townships (at the moment there are only 3 PaO townships, those in SAZ)
- Once they would have 6-7 townships they could become a district-> 2 districts can as for a state!
- The current two SAZ are separate, by upgrading the townships in the South they could become interconnected to one area-> 1 zone-> become bigger!
- Shan State is big with many minorities (Wa, Danu, Lishu etc), about SAZ’s-> they don’t need to separate, but rather maintaining their own culture
- Census 2014: he is not concerned about the outcome as other countries do censuses too. Example about Rohingya: he does not care as they officially are not considered Myanmar citizen/minority, does not care how much their % in Rakhine state is
- At present stage it is not easy to move towards federalism, 25% of the seats in the parliament are automatically appointed to military
- But step by step they can move towards democracy & change constitution
- He is afraid that the government who has suppressed the country for such a long time might easily just re-take their prev power as they already have done before....
- His opinion on tourism: more and more visitors will be coming, if comparing the last two years it improved drastically, but there is no major investor investing in tourism activities/ businesses
- **Who should initiate this tourism development process? State level? PNO? Communities?**
- For him, he does not really care who comes here to invest & develop the region, as long as they do it-> but of course, contract needs to be signed between the parties and ensuring local ppl get employed, environment saved etc
  - 1. Step contract between villagers and company
  - 2. Step contract between PNO and company
Khun Kyi (Richard), English Teacher & Entrepreneur
Taunggyi, 01.04.14.

*Richard is a close friend of Aung. He has also participated in past IID workshops. The discussion was held in English at the English school.*

- He left his village in 2001 -> to study in Bagu
- **Tourism Development threat or Opportunity for PaO:** there are still many tourist attraction in restricted PaO areas-> big potential such as trekking routes, caves etc
  - For him tourism is a good opportunity for the young ppl to speak English and see sth new from tourists
  - But yes, their culture might gradually disappear
- **How to prevent this? (culture disappear)**
  - Provide awareness training to villages-> if the government doesn’t do this, then it is the PNO’s responsibility to do it!
- He’s a bit active for PNO-> he teaches their English teacher-> they go then later to the villages to teach English
- **Why he left his village:**
  - “can’t really find an alternative for living”-> had to leave his village-> can not take it for granted that everything is provided in village! (e.g that one inherits the parent’s land-> land is scarce especially if many siblings etc.)
- He used to be a local tourist guide too
- But if young ppl don’t get a job after graduating-> most of them still go back home to farming-> no alternative!
- He plans to go back to his native village to open a boarding school
  - 650$/yr for everything (accommodation, food, classes) primary school
  - 750$ for middle school
- The boarding school will work as complimentary/additional classes to the regular school (gov/public school)-> his plan is to replace it in the future
- It has always been his dream to go back to his native village and open a school
- The school can accommodate 80-90 kids
- Will have a library, PCs
- They are also planning to offer PaO classes-> they even offer it here (in the current school/education centre in Taunggy)-> since this year, they even have government officials coming and taking his PaO class!
- **His vision for the PaO region:**
  - To improve the PaO region, those who can and have the skills should focus on the, the responsible ppl...
  - Many PaO CSOs based in Taunggy, he further says the young PaOs ppl are active-> but there should be more communication between CSO & PNO...
  - They try to change the system internal at PNO now and involve more young ppl
  - He hopes the young ppl will take over soon...
- Garlic & corn-> need value added products! Most products just know these two products as South Shan products, although most of them come from the PaO region-> ppl don’t know
  - Same for soybeans and green tea leaves-> most are PaO products but ppl don’t know!
  - Same for hand woven bag: its good quality (better than the Inthay’s machine produced ones)-> but the PaO don’t explain it-> only a few are maintain the culture and this business
  - INthay have big weaving machines with lower quality
- Summer course English& Maths for 3 months, from 9-3pm, 5 days/week costs 50’000K.
- Brokers are a problem: farmers borrow money ahead with interest....
- CSO come to village and build up loan fund

**Attending the summer course (elementary, first day of school)**
- about 10 students, aged 15-20 years old
- He speaks mostly in English, but also some Myanmar
- Starts with introduction round: My name is etc
- They come from all the surrounding regions: Inlay, Hopone, Pindaya, Kalaw, Taunggy...
- A lot of Role plays in pairs and groups-→ very good to have them practice!
Villagers on Western hillside trek (to Kalaw)

1st day 27.03.14

- **Interview with house owner (overnight stop at Danu Village)**
  - Johen started hosting foreigners 12 yrs ago, his motivation to do so: as a Buddhist, he believes maybe he met the foreigners in his previous life - now he has to host them to pay back
  - How many guests does he have per month? Depending on season: in winter its high season almost every day, after winter they have about once a week
  - In high season even needs to send ‘left over’ guests to other houses when they have too many -> hands them over to his friend’s house
  - His profession: farmer: mountain rice, garlic, tomato, flower, beans, potato, ginger etc
  - In this village: only about 20 houses
- Side note: they asked me for my nationality -> filled out the registration form in order to receive the 200K/guest for village fund!

Morning 2nd day Trek 28.03.14

- continuing our trek through green, pine trees, danu villages

- **stop at garlic plantation:**
  - big garlic, sell 1.25 kg for 1000K at Aungban market which is 30min away by car
  - for this village easy access, right next to big road (close to cement factory), good soil
  - many trucks with coal passing by
  - the garlic ppl use natural and chemical fertilizer
  - Their village does have many electricity pillars, but it does not work yet as they don't have electricity yet
  - Each house has a small water pool

- **Rest break at first PaO village:**
  - Most villagers are away at novice ceremony
  - Old lady hand weaving traditional Pao bags
  - Most tour groups stop here for some tea, everyday they have foreigners passing by -> the only benefit for the old lady is when the tourists sometimes purchase a hand-woven bag
  - In this village only she and another lady are still doing the hand weaving, the village has around 50 households
  - Some weeks she can sell 2-3 bads / week
  - Tea & nuts (little snacks) are always offered, although some tourists try to offer her some money for the hospitality, she refuses, as they (the trekkers) came a long way and are tired -> she is already happy to be able to give them some refreshments and a place to rest & take a break
  - PaO language here similar to east side, just endings are different
  - Asked what she thinks about the trekkers passing by every day, good or bad? Benefits enough or not?
    - She does not really care, just does her job
    - She is very happy to be able to offer tea & snacks to the trekkers so they can rest and calm down, that already makes her happy
  - She says one big bag sells for 4000K, small l one for 2500K
  - As she can not go to the market, she has to order the thread with some one, and only sells it (bags) here
  - They also plant chilli, beans, rice paddies, garlic etc
- **Lady who owns the house of the lunch break:**
  - She got into this “business” (hosting ppl for lunch/overnight) through her brother-in-law: when they did not have enough space -> he sent the left overs to her house
  - Recently, she even had tourists without guides -> some gave her 5000K for overnight, some others nothing
  - Apparently one of them already did the trekking tour before and knew the way...

*Evening at Pa Htu PaO Village*
- Arrival at PaO village, shows major signs of construction & development
- PaO look differently, are not really dressed in traditional way (unlike the east side), turbans are different too (more like shan style)
- Resort with about 15 bamboo bungalows being built/semi-finished -> Sunnay does not know who is building it -> find out!
- The house we are staying looks more like a guest house (color ful, bright blue)
  - Small shop with food/drinks downstairs, total of 5 rooms

- **Interview with the owner U Chit Soe**
  - Since 2009 hosting regularly foreigners -> before that too, but not so regularly -> as a business he started in 2009
  - He only works with trekking organization -> if there is no cook, he can arrange the cooking too -> he is native from Kalaw, but his wife is a teacher here (also from Kalaw) -> THE EXAMPLE ALEX MENTIONED!
  - I asked: does he feel like they are part of the village?
    - He considers himself part of the South village -> the village is divided into two parts: north and south, they even belong to different div -> two chief villages!
  - But upon my question: are some other villagers jealous of their business activity
    - Yes, some villagers are jealous of their business
  - At the beg, they only opened small village, but when tourists started passing by -> used to sleep in the monastery which is 30min away -> when it got crowded, a guide asked the teacher if they could host some of the foreigners -> small scale, small groups initially!
  - Started building this house & that's how it started
  - At the beg., he could receive only 2 small groups (of max 8 pax), if > 8 pax -> he started to give to other villagers -> since then, the other villagers got a connection too to this business!
  - First, when he built the big house, ppl were more jealous, then when they started to receive the left over tourists -> it got better, but some are still jealous....
  - The village is divided into south & north -> total of 180 households
    - Approx 10 houses do now also accommodate to tourists, less in monasteries
  - He earns 2000K/person, but he needs to pay water, electricity, blankets, wood etc on top
  - When they do dinner/cook -> no fixed price, give whatever they like to (usually 2000-3000K)
  - The owner is more involved in south part of the social/community life (where we are located) -> the village likes to be split in south/north -> as they officially belong to different districts
  - Have two chief villages, but only 1 monastery
  - Village fund does not exist yet -> but north part does have one
  - His way of giving back to community?
He motivates and suggests to the villagers to build home stays / restaurants -> even to the north village he suggests them to buy blankets & to tidy up to be prepared for tourists -> the rest next door, was created after he suggested them to open their own business

He’s putting a fund for the villagers 3000K/month to the chief –Y suggested him that he will give better 36'000K / year for village activities/events such as funerals, building roads etc

Whenever there is a fair/ festivals where they collect money for the monastery-> he always puts in more

He would like to build a rest house for the village’s cemetery-> but he struggles with uniting the village....

He also acts as a mediator-> if tourists pass by who want to donate sth-> he asks the chief-> then they vote about it

- Is tourism/ trekking industry a threat or opportunity for the village?
  - Sunny answers: there are bad effects of tourism like de-forestation, drinking beer at monastery -> for monastery this type of business is not suited (example of young monk who changed his monk living after having seen a western woman showering in her bikini)
  - But home stay (short) or simply passing by good
  - The owner did not answer....

- Interview with Chief Village South (also friends with Thommy)
  - He currently hosts 3 foreigner for tonight
  - He started to receive guests 3 yrs ago (2011)
  - During peak season every day receives guests
  - Generally they work with KTGA but similarly to lunch stay, also received some FITs without guides, which he hosted or showed them the way to the monastery
  - The new bungalow resort is being built by a business man from Taunggy (Inthay) -> he asked the chief for permission to buy the land-> he promised them in return to get them water supply, electricity, 200'000 K for education fund, plus village fund -> but it is just an oral promise, nothing in contract or signed, only signed a contract for the education fund
  - New Info: Inlay zone fee -> this yr (?) this guy offered 7 Billion K and got the right during the auction to work as a contractor for the zone fee- > his name Al Kyaw Naing
  - The Inthay party from the lake received the 7 billion
  - Tourism Threat or Opportunity for village?
    - 200K/guest for village fund under construction
    - At the moment, does not see any threats, only worries that some villagers don’t copy/ get jealous...
  - Every house wants as many tourists as possible-> they are a bit competing with each other....
  - There are some (a lady & a monk) who lead and influence the unity between villagers & the teacher’s house-> they are probably jealous...
  - He thinks that his village does currently not benefit enough -> they should raise the fees, build a health care centre (currently none)
    - He would like to see more support from the trekking guide association
  - He works with many different kind of trekking guide assoc from Taunggy, Pindaya, Nyaung Shwe etc
  - Works with his mobile, but bad connection-> only one spot in whole village with mobile coverage!
  - PNO active here?
- There is a picture of the leader on the wall (as in all PaO households right next to the altar)
- There is a school in the village being built by the jap NGO/ PNO for 12Mil K-> primary school
  o PaO language is being studied in the monastery (same as in the other village Nong Khe)
  o Other example: Korean tourist came & donated school for 13Mil K.-> example of tourism benefitting PaO?
  o Me: But these individual donations are not really long term/sustainable...
  o When it is season, they also sell vegetable / potatoes to trekking guide org...
  ➔ quite rudly, the Tour Guide of the foreigners asks us to leave and come back the next morning when they have left!

Morning, 29.03.14 3rd on trek

- Visit again of Chief village’s house
  o The Taunggy business man is trying to get a water source 4km away so far-> but they would still need to walk 1km to the big water storage, it would be for everyone whole village
  o But in summer-> no water-> need to get water from the creek-> planning to pump it by generator into the hige water storage in the village
  o His fut vision for his village?
    ▪ He wants to have plenty of water, electricity (where we stay they have solar panels), roads-> transportation, health care centre, upgrade the school so students can stay up to middle school
    ▪ In east bank, governor used to ask the PNO education department -> they go & ask depart of education to get permit
  o How to achieve these things?
    ▪ Hard to achieve only by the villagers-> need external help either NGO/gov!
  o Chief says bungalow resort total of 9 bungalows + 1 main big bungalow
Shadow Appendix 3: RTDMP Meeting notes

1) RDTMP Project Launch and Project Advisory Committee (PAC) Meeting

Na Py Taw, 13.03.14

Mostly members from the government (Union and State level) were present, a few representatives from the private sector as well. All RTDMP members were present.

**Morning:**
- ppl start coming in on time/ too early at 07:30 am
- Union Minister on top (head)
- The different township administrators (PaO SAZ, Taunggy etc)
- Associate form different departments: ministry for forestry, for Intha Affairs, home affairs etc
- 07:50 am everyone ready to present
- Everyone stands up -> Union Minister asks to sit down
- Agenda of today read by secretary

**Union Minister** (opening speech):
- mentions sustainability of the abundant tourism product -> need balance between growth & slump
- sustainability: its easy to say, not so easy to do!
- Who will initiate sustainability of the Lake? How to manage? We need actions
- They need internat experts-> to get techn knowledge
- Asks numerous questions, important formulation of PAC

**Joern:**
- Introduction of team-> our work, when we started, all our projects
- Lake is getting wide attention now-> limits of acceptable change!
- Mentions ppl/ env/infra not prepared for increase/ changes
- Long term interest produce a model that can be used in other regions too!

**Mike:**
- Lake is a hub for all the surrounding areas
- Put all the research together (done so far) to produce...slides
- List of the main townships in the area IMPORTANT!

**Andrea:**
- Presentation of survey
- Minister asked about where the surveys will be conducted, we try to get as many tourists as possible
- He further asks about the frequency of the survey, how many times/yr? -> we try to repeat it ideally
- He further stresses the importance of training the staff, to make it clear to the surveyors
- Also asked Andrea to teach RM to the tourism students at Uni Yangon & Mandalay

**Anne:**
- Manage the water plants of the lake rightly!
- Loss of open water area
- The lake is getting smaller because of the gardens are covering up more surface!
- Manage the water quality!
- Re-naturalize the channel from Nyaung Shwe to avoid soil sediments
**Misuu:**

- Heritage house -> Inlay heritage foundation

*(tea break)*

**Discussion Q&A:**

PAC (Mike): remark by floor: as this is our proposal, we need to adopt to Myanmar way -> they have different procedures!
- e.g we can not suggest Union Minister -> HE has to suggest!
- Are these 4 townships enough? Need more involved! And more ministries involved...e.g minister of health, education etc agriculture
- Include districts too! State- district – township
  ➜ everyone stressed out the districts! In order to have all townships involved easier to start one level up by district! (even international consultants didn’t know, local input regarding their structure crucial!)
  ➜ MTF: research!
- we need additional actors tbd for PAC like Intha, culture & social associations etc
- Name for wider Inlay area?
- How to reach the ppl? Events where ppl gather (locals gather like festivals, pagodas, open air movies-> before, inform ppl!)
- Outside looking like traditional museum, but from inside modern museum, locals, tourists
- Need a public campaign on sustainability
- Awba (thai pesticide) -> powerful there? Need to include? Their CSR for the region?
- Inlay App? Young ppl? Establish visitor centre? (Joern)

**Inlay Entrance fee:**

- Trust fund? They increased zone fee from 5 to 10$-> 15 Mil KS money is being invested in bridges, toilets etc
- Question how many tourists visited Inlay? Can not answer yet as figures are different depending on source! April to Dec 2013 62’564 visitors
2) Open Group Discussion RTDMP  
Nyaung Shwe, Environmental Hall, 18.03.14

About 80 participants from the private sector (tour guides, hoteliers, hotel staff), local CSOs, officials from State, District and Township level and from tourism police attended the meeting. All RTDP members were present.

**General Observations:**
- 61 registered attendants
- mixed group: Tourism Police, GIC, Tour Guides, CSOs etc

- **Opening Speech** by Minister for Inthay Affair (also attended Na Py Taw meeting), Shan State Level
- Same Presentation by Mike as in Na Py Taw, translated after each sentence into Myanmar
- **Andrea:** Survey presentation (same Na Py Taw)
  - Input Barbara: how do tourists arrive? Where do they stay?
  - Q&A in English:
    - Crony (GM of...): what is the capacity of the region? How many hotel rooms? What is the effect if D>S?
    - What is the hotel developers’ responsibility?
    - What about the hotelier’s opinion? Need to survey them too! We need to ask other stakeholders too...
  - We need to start collecting data somewhere, start with tourists first as it is demand driven
- **Anne’s environmental input:** general observations-> more ppl are asking now/engaging-> seems like ppl can relate the environment/lake more to their own issues-> lake is a central topic
  - Anne shows various pictures of her trips around the region (Taunggy, Kekku, Kalaw, Pindaya)-> rubbish mngt big issue
  - Irrigation Dpt is already working on a plan, on the hot spots in the catch man area
  - 35 communities involved in rubbish training
  - rubbish collection group of young ppl-> CSO/volunteers
    - initiated by Anne from Shwe inn thar
    - the ‘leader’ of the group points out the problem with waste mngt-> limited place to throw rubbish and if burn-> air gets polluted....
- After break: short Intro by Mike ”what is tourism”
- **Start of Group Exercise:**
  - (general observations): especially the young ones are engaged! Tour Guides more (language?)
  - in the English speaking group (where Martin & Novotel sit)
    - ppl have difficulties to exit their pre-made words “stakeholder”, “community involvement”-> repetition of the same words...
  - But all groups are active, lively discussions! Mixed groups! 35% women to about 65% men
  - Concept of Marketing very new to Myanmar ppl-> which image to send to outside world-> difficult for them to understand....

**Group presentations:**

1) **What are the current impacts of tourism on Inlay Lake?**
- big money coming in-> some get very rich, some lose
- Big gaps -> need to create more jobs
- Conflicts arising
- More new construction, less traditional houses-> becomes less attractive for tourists
- Actions needed for plan: less use of plastic, educate locals, re-plant trees, reduce chemical usage, organic farming
- Tourist fees-> transparency to see where money goes-> fund conservation
- Dress code for tourists, bio-filtered toilets, waste mngt, develop training for locals
- Limit tourism in Myanmar -> every country should have limits, e.g limits on tourist visas? How much can the country bare?
- “too much is not so good I guess” (Tour Guide Association Kalaw)
  o from the discussion round: Win Oo Tan says “responsible tourism is already a limit”-> it’s good enough
- should set up village volunteer group to manage/ take care of environment -> teach them-> long term sustainable project

2) What are the current impact of tourism in hilly areas?
(In Myanmar Language, see poster....)

3) Future of tourism in Inlay Lake?
- They only give suggestions as they are not the decision-makers
- Good maintenance for Inlay Lake, support for environment, maintaining good for future
- Transportation Nyaung Shwe – Heho: rivalry through increased transportation-> will increase more and more
- Heritage & handicrafts: maintaining their traditions-> their advantage, style-> so they need to maintain their weaving production to maintain their culture
- Cottages preferred by foreigners
- Limit tourism: no more capacity-> quotas! We have to accept a limited number of tourists
- Too many boats at the moment
- Only packaged tourist accepting, no more FITs, no more backpackers
- We need to explain & educate more do’s & dont’s
- Need an association of fishermen -> to maintain their traditions-> nowadays it is only for demonstration purposes -> they use machines in reality
- We need to re-vive floating market-> to give villagers opportunity/platform to sell their products -> but it disappeared...

4) Future of tourism in hilly areas? (mostly by the Guides from the Kalaw Trekking Guide Association)
- number of tourists high-> but only small number goes to hilly areas at the moment
- more trekking guides needed -> they should give training to the villagers, would be nice to have traditional guesthouses/ homestays made of bamboo
- if tourists stay in village -> food needs to be safe as fridges are not existent there-> find a way to make it safe
- educate the villagers -> knowledge regarding security & health, care needed -> because health care is far for most villagers
- traditions need to be kept
- government also needs to take part in this-> extend the areas to be visited
- arrange projects like plant a tree in a village to enhance tourist experience
- educate ppl in rubbish/ waste mngt/ handicrafts/ bamboo wear-> sell-> improve villager’s income
- limited number -> only in the capacity given
- how to have villages become part of tourism? Answer: impossible to stop villagers from burning forest
- how much money stays in village from trekking? 500K/person for village lunch
- how many houses do they use/ yr? everyday 100-200 travellers (?)
there are some trekking guides who have never been to the villages yet->
mostly those guides coming from external regions, he furthermore mentions
that city ppl who are already developed should support villages more!

5) Barriers to enter? (again, mostly from Kalaw Tour Guide Association)
- need to find alternatives to floating gardens-> need knowledge first, families
  still doing this since more income through higher use of fertilizer
- ppl are still superstitious in villages, need education!
- Ppl / farmers keep developing, for example fishermen using engines on their
  boat can reach more villages than by traditional rowing, it saves them time &
  get more money!
- Barriers: foreign currency rate not stable! Banking system is out of date! Banks
  don’t accept all notes
- Guides fees-> need to be the same everywhere as travel agency sometimes
  charge cheaper prices-> price war starts, they lower the prices more and more,
  the travel agencies choose lower quality guides to keep costs & prices low
- So many administrators, all departments-> the guides have to work with so
  many different departments, bureaucracy very inefficient
- They (administration/government) should know their duties & responsibilities
- Who is the authority? When they need permission authority just throws the ball
to different departments....
- They have old rules & regulations, need to change this
- Lack of language skills
- Social problem, some travel agencies don’t hire local guides, but only the local
  guides know the treks!
- Implementing an unified fee system for all trekking org.? fees depend on many
  factors, e.g skills/ qualifications of guide, size of group etc

- M’Anne’s input: for her hotel guests she organizes special offers e.g. lunch in
  the village where villagers serve food& get money
  o Try to maintain weaving traditions-> e.g if guests stay 3 nights they
    receive traditional bags with their names on it

3) Research Methodology Training

Nyaung Shwe, Environmental hall, 19. & 20.03.14
About 30 participants mostly from GIC (hotel staff and guides), other tour guides and
a few people from the tourism police participated in the training. At the end of the 2
day session, about 20 individuals volunteered to act as enumerator to conduct the
quantitative survey with international and domestic tourists.

Its about capacity building, the notion of asking questions (critically)

General observations: Many Tour Guides (GIC), Tourism police too

- Group exercise: make them come up with potential research questions -> get
  very excited & enthusiastic, suggest very good questions & interesting issues to
  research!
- Afterwards each group has to present
- PaO Guide/GIC staff: “our country poor education system; parent’s don’t
  encourage children to pursue higher education as it is difficult to find a job
  after”
- Kalaw Trekking Guide Association: “we need education & knowledge”
4) Hoteliers Focus Group Meeting

Nyaung Shwe, Environmental hall, 31.03.14

Representatives (GMs, Front Office Managers etc) from 12 different hotels and resorts from Inlay Lake attended. The representatives were visited beforehand individually to inform them about the project and invite each of them personally. In addition, the RTDMP team (but Anne) was present.

- Intro by Mike, Presentation of Team, who we are and what we have done so far

Discussion 1:
What are the key Challenges for the hotel sector in Inlay Lake?

- Viewpoint hotel
  - Shareholder: Rubbish, noise and pollution by boats, can not handle these problems alone need support
  - Jenny: waste mngt, customer come here for env beauty, ned recycling site, education and information
  - Maurice: same

- Hupin Hotel
  - Close to the channel, noise and pollution, but solve by themselves

- Hupin II western part:
  - transportation, infrastructure (e.g when bridge is broken guests can not arrive)
  - would like the government to have come and improve

- Kathy from
  - Infrastructure especially on west side of the lake, bridges broken guests can not arrive
  - qualified staff-> would be happy if there were more projects like Inthay Heritage house-> vocational school

- Alain from Novotel
  - Problem from staff-> difficult to find qualified staff
  - One of the problem already now: waste mngt-> burn or landfill not the solution for accor’s 21
  - Telephone/ mobile coverage-> internet? For safety? -> how to call fire brigade?

- Aquaris Hotel
- May Guest House
- Remember Inn
- GIC Director U Kyaw
- Inle Resort (FO Mngr)
  - They’re hotel is on eastern side
  - Communication with boat men driver
- Myanmar Aureum Inle hotel (Win Oo Tan = GM) Areum Inle – winootan@gmail.com aureuminle@myanmar.com.mm

Key points: availability of staff, infrastructure (roads), telecommunication, education

What could the government do?
Where is their role (private sector)?
- waste mngt is their priority! They can not find anyone to pick it up, to do it-> it should be the government’s job to provide the facilities! They’re job is to collect it! (Novotel)
- Hotel zone fee: (Aureum Inle Hotel): 50% goes to the reg. government-> township administrator do know this...they brought his issue of waste burning to the township administrators-> smell unsupportable
  o Garbage collection issue: the township administrators should have written a draft by now-> but very slow process
  o Process is there
- Joshua: waste mngt is on their priority too-> plastic reduction, community approach, can not wait for the gov
  o Ppl burn plastic-> solution?
- How do the hotels currently manage their waste?
  o Viewpoint: they separate it
  o Joshua: the worst is plastic as bottles/ glasses they can sell
  o Aquaris: even if the separate it-> who collects it? Who takes it? Who recycles it?
  o Joshua: different type of plastic
  o Viewpoint: they are not enough from private sector-> government has to initiate it!
  o Aureum Inle: at the moment, forget about separating the waste-> what to do with the waste? Nothing they can do now but burning it! Although they requested gov officials no actions yet-> without law enforcement/ gov officials ppl will still throw waste into lake
  o All the priv sector ppl are willing to pay for it, but need the gov to initiate it
- Sanitation?
  o GIC: they created an island solid in lake-> in there the septic tank sinks it
  o Aureum Inle: most hotels have septic tanks-> but expensive, use bio- solution 25’000$ every 3 months (as they are directly on the water)
  o Joshua& Viewpoint: also use a natural system to filter the water before going to the lake
- Agriculture practices over the years?
  o Viewpoint: they can notice the change-> temp getting hotter, very hazy
  o Aureum Inle: everyone knows the villagers are burning area for next season-> gov did not do anything-> no action, but what is the alternative choice for the villagers? No one is thinking about the long term process without suggesting solutions!
- Andrea: suggests Composting
  o Joshua: already doing this, separating and using the juice of it as compost
  o Aureum Inle: why not banning plastic totally for ex during 5 day market-> using tradit products like lotus/ banana leaves-> not a problem from the hoteliers-> problem comes from the communities/ markets
- Staffing:
  o Aureum Inle: last yr 20 new hotels were built-> 18 new ones will be coming-> how many rooms available in total in Nyaung Shwe?
    ▪ 3000 rooms in Nyaung Shwe area only on land-> on lake 16 plus 14 new ones-> 4500 rooms in total
    ▪ plus hotel zone-> plus 3’000 rooms
    ▪ total 7500 rooms-> on avg 1.5 staff/ room-> min 10’000 taff needed!
    ▪ SEE ANDREAS NOTES!
Discussion 2

How to maximize the integration of local products, people and services into hotel industry?

- viewpoint: most of the hotels do use local products such as cotton weaving from the lake, shan paper, weaving....
- Tour Guide: worried about fishermen on the lake -> having less fish -> they are only posing
- Eastern side -> sugar cane -> melasse used to do -> but now not anymore -> left for the hotel zone as wages better there
- New generation problem -> if they earn money yes maybe
- Work with brokers/ intermediaries/ middle men (view point hotel)
- Aureum Inle: here in Inlay low quality but many handicraft products -> very time consuming process -> but still, the demand is still high -> products even come from far away -> ppl are cheating the tourists! How many products are available in Inlay area? Which ones are unique to here? How can we preserve them? To get enough supply? Do they need techn/finance/marketing assistance? The hoteliers can help them selling them -> but need to be of high quality! E.g silver ware, not 100% made in Inlay -> brought from outside -> find new techniques to save time! Upgrade current procedures/processes/ quality!
- Open a centralized artisanal centre -> upgraded process -> premium quality! Partnerships among different villages specialized in handicrafts, cooperation!
- Joshua's point: have to eliminate the middle men/ broker -> as he is getting most of profit and not the guys actually producing the handicrafts!