

Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



Project: Emergency WaSH assistance and Food Security and Livelihoods support to vulnerable population affected by conflicts in Rakhine and Kachin State.

CONTEXT

The beneficiary baseline survey was implemented in the frame of economic recovery and market system (ERMS) activities for improving the income and livelihoods of the targeted beneficiaries in short and long term.

The baseline survey aims to get a better and complete understanding of the IGA (ERMS) beneficiaries from Lai Za area (NGCA), in the following camps: Woi Chyai, Je Yang and Hpum Lum Yang. The data collection and data entry was done by the livelihood team. The baseline findings will allow the team to identify baseline indicators of the IGA beneficiaries and measure the impact of the project after the project by end-line.

PLANNING AND METHODOLOGY

The survey was implemented by the Livelihood team from the 27th November to the 17th January 2015.

The survey was conducted for all beneficiaries of EMRS activity from the three camps of NGCA.

During the selection process, all the categories from PWR (participatory wealth ranking) had the opportunity to apply to the activity. IGA beneficiaries were selected following two steps: some jury members (composed of KBC agents, 1 religious leader, 1 camp authority and 2 IDPs with no direct interest in the process) pre-selected first hypothetical beneficiaries who applied. Then an individual interview was conducted with the preselected IDPs. The selection was based on the vulnerability/socio economic situation, experience and motivation, relevance of the activity, and cost efficiency. Market surveys, space identifications, and SWOT analysis were also conducted to consider the relevance of the respective activities for the applicants before the final selection process. After integrating and analyzing those data, KBC finally selected 124 beneficiaries to start their supported business in 3 NGCA camps.

The survey information includes the information of:

- A. Survey information
- B. General information of the households
- C. Source of income
- D. Coping strategy index (CSI)

Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



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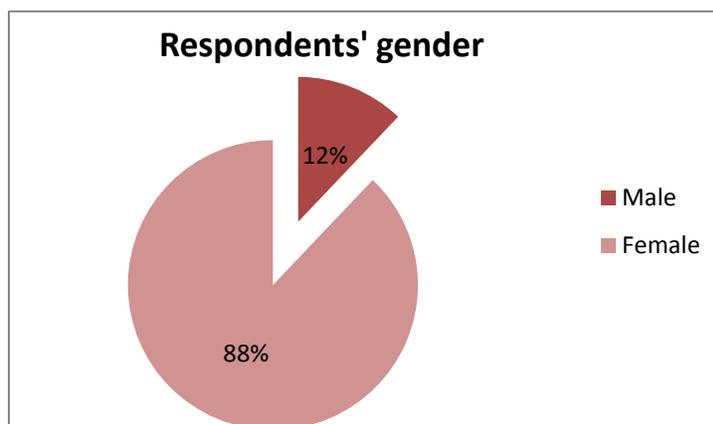
Main Findings

A. General information on the survey's respondents

Information provided in this report includes 3 camps of Laiza area (NGCA). Below is the number of respondents per camps which correspond to the totality of the beneficiaries:

Camp Name	No	%
Je Yang	59	48%
Hpun Lum Yang	31	25%
Woi Chyai	34	27%
Total	124	100%

Amongst 124 HHs respondents, 12% were males while 88% were female. This difference is based on the fact that the selection had as one of the criteria the socio-economic vulnerability of the households which led to a prioritization of women head of households, widows or inactive women.



B. General information on the households

Under this category, the marital status of the head of HH was surveyed. Amongst the 124 beneficiaries, 105 are belonging to a male-headed household.

The average size of one HH is 5.7 persons. In average, children (up to 18 years old) represent 52% of the HH while adult under 60 years old are representing 40% and finally elders account for 8% of the HH.

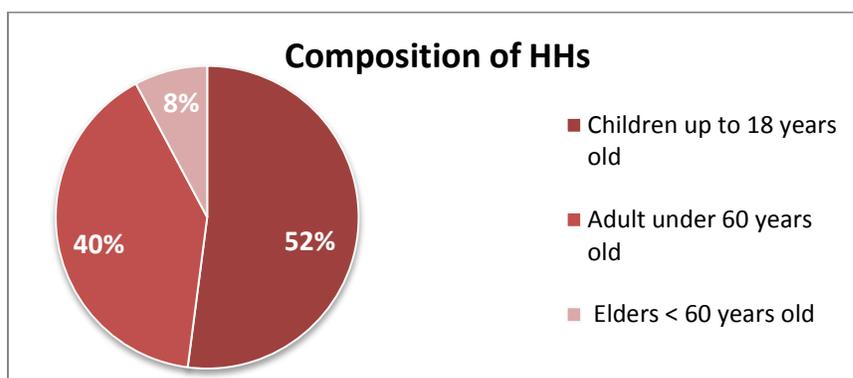
Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



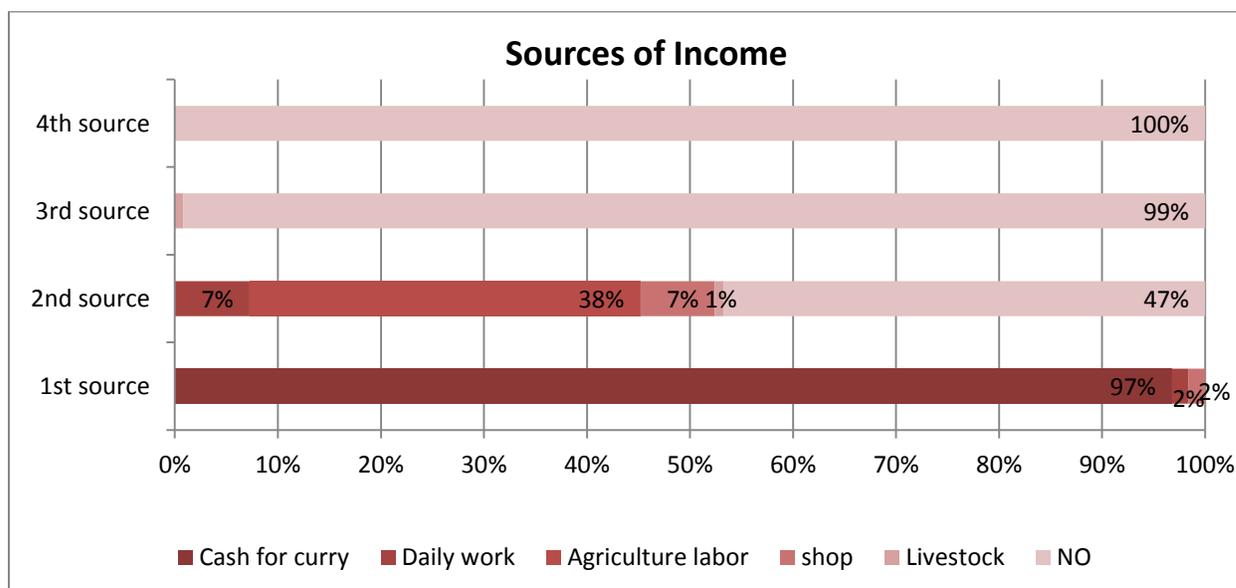
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C. Source of income

An average of 1.2 persons are reported to work in each household, with a maximum of 3 in some cases, although this does not necessarily represent a regular source of income and may only cover few days of work during some months of the year. 28% of the HHs interviewed has no member working.

The baseline allowed identifying from one to four sources of incomes of the beneficiaries.



First main source of income: 96% of the beneficiaries mainly rely on relief (cash for curry) as first source of income. Depending on the camp and on the organization providing aid, this assistance could last all year long or for some months only. Depending of the households' members being really and constantly present in the camp, the amount of the cash transfer can also differ. In addition, 1, 5% relies on daily labor while another 1, 5% get their income from the small shop.

Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



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Second main source of income: As a secondary source of income, 38% of the beneficiaries rely on agricultural labor. 79% of these interviewees report that the job opportunity for agricultural labor is all year long. Daily work (some months per year only for 56% of them and 2 to 3 days per week) and small shops arrive after and represent 7%. Finally, livestock arrive after for the remaining 1%. 47% raises no second source of income.

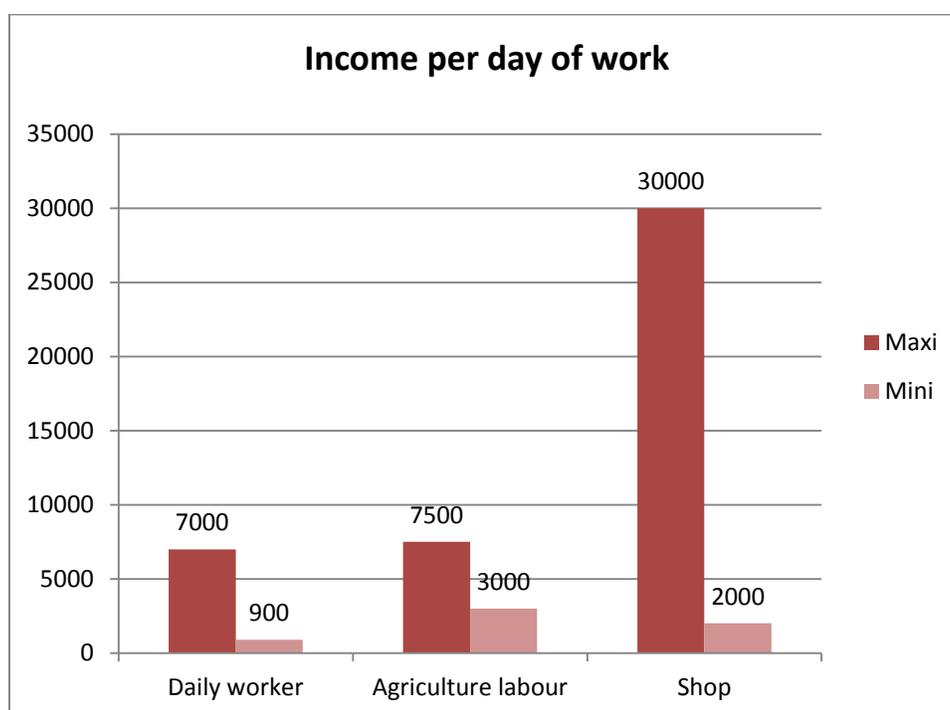
Up to 53% of the HHs interviewed has 2 sources of incomes, including the cash for curry whilst only 1% has three different source of income.

Third main source of income: 99% of the interviews have no third main source of income while 1% relies on livestock rearing (selling).

Fourth main source of income: There is no fourth source income.

D. Beneficiaries' incomes

Daily wages per day of work is different based on type of work the beneficiaries have to engage in different activities. For daily worker, maximum rate is 7,000MMK/day and minimum is 900MMK/day. For agriculture labor, the rate is 7,500MMK/day maximum and 3,000MMK/day minimum. For the shops, income is 30,000MMK/day maximum and 2,000MMK/day minimum. Regarding livestock the income stems from the selling between 130,000MMK to 200,000MMK.



Analyzing the different sources of income for the beneficiaries and if they were constant all year or for some months only, we can deduct the following figures

Baseline survey

Economic Recovery and Market System

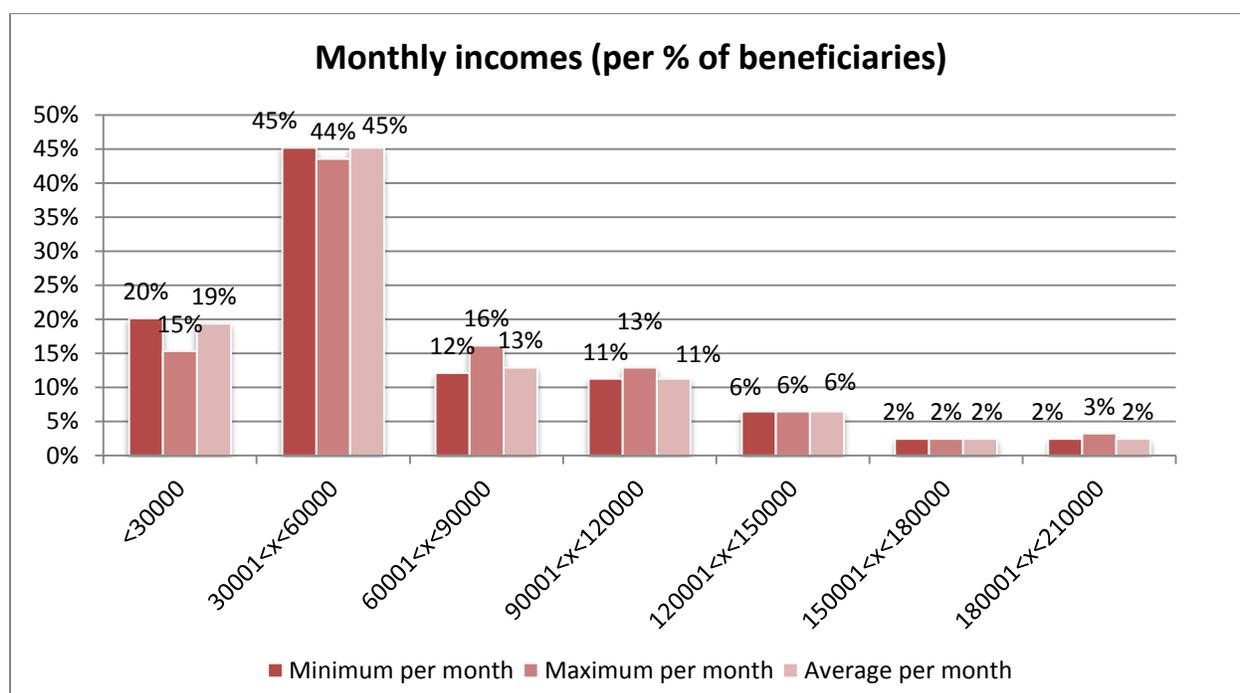
Kachin State – NGCA area, January 2015



Amount earned per month	
Minimum per month	
Min	14,000
Max	209,000
Average	64,234
Average per month	
Min	1,493
Max	209,000
Average	64,766
Maximum per month	
Min	14,000
Max	209,000
Average	68,500

In the above tables, the minimum per month corresponds to months when sources of income are reduced to the minimum for the households, and on the contrary, the maximum per month corresponds to the months when the households have the most activities which generate incomes. The average per month thus corresponds to the yearly incomes calculated on a monthly basis. The bias of these figures is that all the households interviewed have not always detailed how many months and which periods were reported in these different activities. Default value has then been set to 3 months (period often covered by agricultural daily work) but this value remains hypothetical.

The repartition of the households regarding their minimum, maximum and average incomes is as follows:



Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



From this chart, it can be noticed that most of the households earn from 30,000 to 60,000 MMK a month (45% in average).

However, around 20% of the households earn less than 30,000 MMK and around 31% of the households earn between 60,000 to than 150,000 MMK per month.

The important figure then to remember is the median value of the incomes of the households which is around **49,000 MMK**. The difference between the median value and the average one is due in particular to 4 beneficiaries who figured apparently to earn, already before the program, a significant amount of money running a shop (around 209,000 MMK a month) or in agricultural labor (between 175,000MMK and 196,000 MMK per month). This could be seen as a problem during the beneficiary selection or a misunderstanding during the baseline as for our knowledge of the context very few IDPs have agricultural labor all year long.

This has to be linked to the different expenditures households have to face.

E. Expenditures on food



Regarding the days of purchasing food on a weekly basis, some purchase it from the mobile sellers inside the camps on a daily basis and some others purchase a greater quantity in the local markets once per week. On average, beneficiaries purchase food about 2.7 days a week (and spend slightly more than 2,500MMK a week). Linking this information with the number of meals covered for the family with this amount, and the size of the family, we can deduct that in average a meal cost 105 MMK per person. However this cost does not include food items provided by WFP food distribution (rice – oil- beans- flour-salt, etc.).

The daily expenditure on food for the households ranges from 0MMK to 5,000MMK. The most frequent amounts spent per day are between 500 and 2,000 MMK (69% of interviewees within that range) with an average of 1,265MMK. Some interviewees reports not spending money on food as they have their

Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



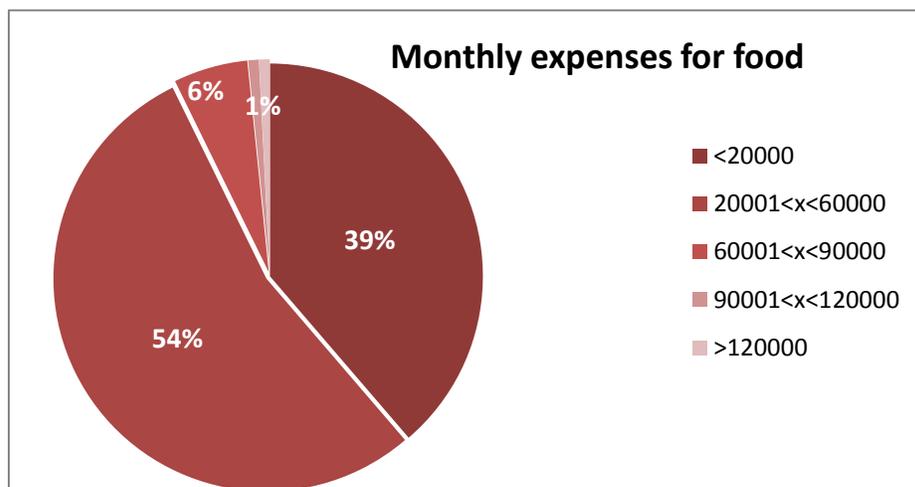
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own garden. Here it seems that there was confusion and interviewees (9 over 124) understood buying veggies only.

Therefore, on a monthly basis, the following figures can be highlighted:

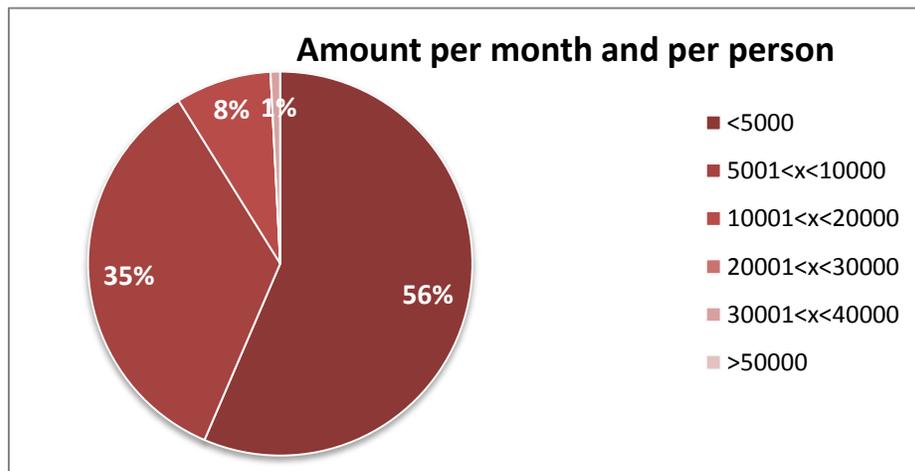
*Monthly expenses for food
for the HHs:*

Maxi	124,667
Mini	1,667
Median	25,833
Average	29,367



*Monthly expenses for food
for one person:*

Maxi	38,444
Mini	556
Median	4,503
Average	5,563



From these above charts, on average, one household spends 29,367MMK a month for food, which corresponds to 5,563MMK per person. However a majority (56% of the households) spends less than 5,000 MMK per person.

Baseline survey

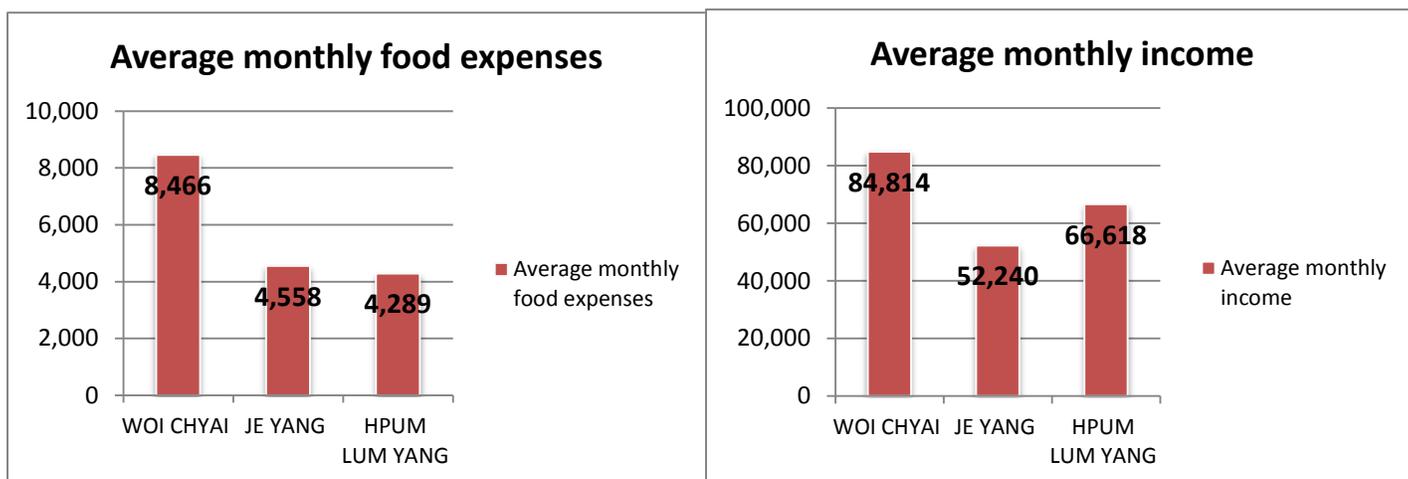
Economic Recovery and Market System

Kachin State – NGCA area, January 2015

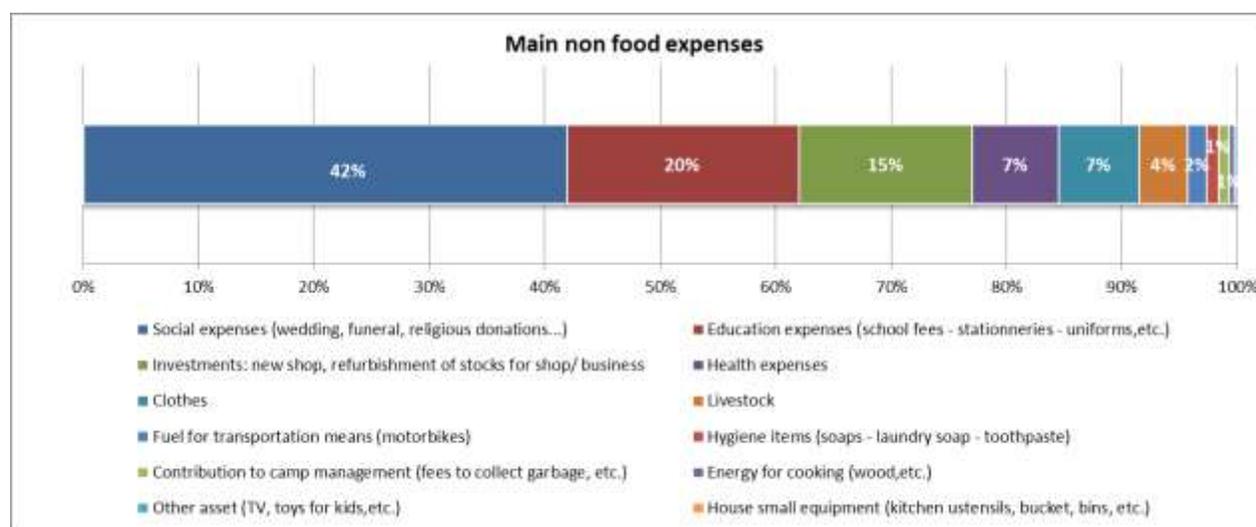


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Moreover, if we compare the 3 camps studied during the survey, we noted different levels of expenditure with Woi Chyai beneficiaries spending for food an average of 8,466MMK per month compared with 4,558MMK and 4289 MMK for respectively Je Yang and Hpum Lum Yang. The reason for this striking difference might be that Woi Chyai camp is located much closer to town so people have more access to the market and to job opportunities compared to the 2 other camps. In addition, food prices are higher closer to town as well. Looking at average monthly incomes, Woi Chyai interviewees will earn 84,814 MMK/month compared with 52,240MMK and 66,618MMK for respectively Je Yang and Hpum Lum Yang.



F. Non-food expenses



Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



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Regarding beneficiaries' monthly expenditure for non-food items, social expenses (42%), education (20%), and investments (15%) represent the first expenses. Come next health and clothes (both 7%) and livestock (4%).

Despite the fact that investment expense is being cited by only 5% of the interview, the total amount in MMK it represents is significant (15%).

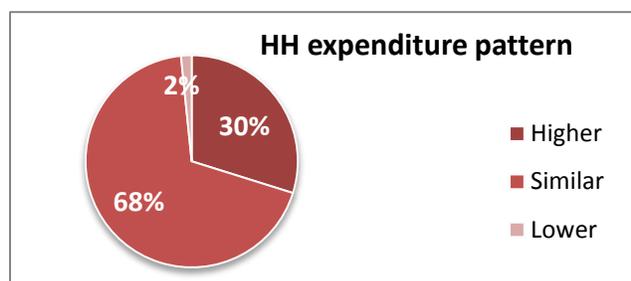
Social events and education expenses are both being cited by a majority of interviewees (53% and 69%) and represent a large amount of money spent (42% and 20% respectively).

Finally, in average, households have spent 58,305 MMK the month before the survey.

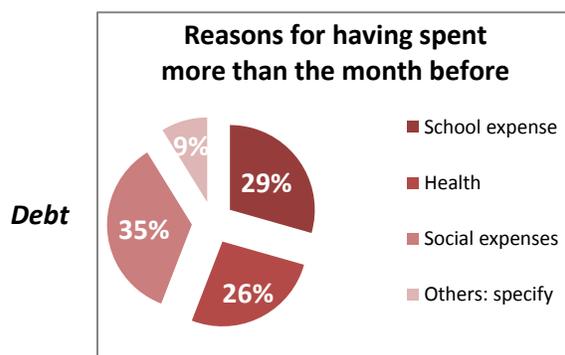
G. Fluctuations and Debts

Fluctuations

Regarding the fluctuations on the spending pattern of household expenditure, 69% of the households declare having spent the same amount if they compare with the previous month; 30% declare having higher expenditures and 2% having lower expenditures. The reasons declared for spending more money are 35% for social expenses, 29% for school, 26% for health and 9% for other reason (electricity bill – livestock – warm clothes).



information



Amongst the beneficiary households, 85% do not have debt and 15% do. The debt amounts are from 6,000MMK to 806,000MMK. The reasons of having debt are mostly related to investments (for 29% of the households in debt situation). 18% of them also report that debt are contracted in order for livestock or for others agriculture inputs, and finally 12% for health, education or for social events.

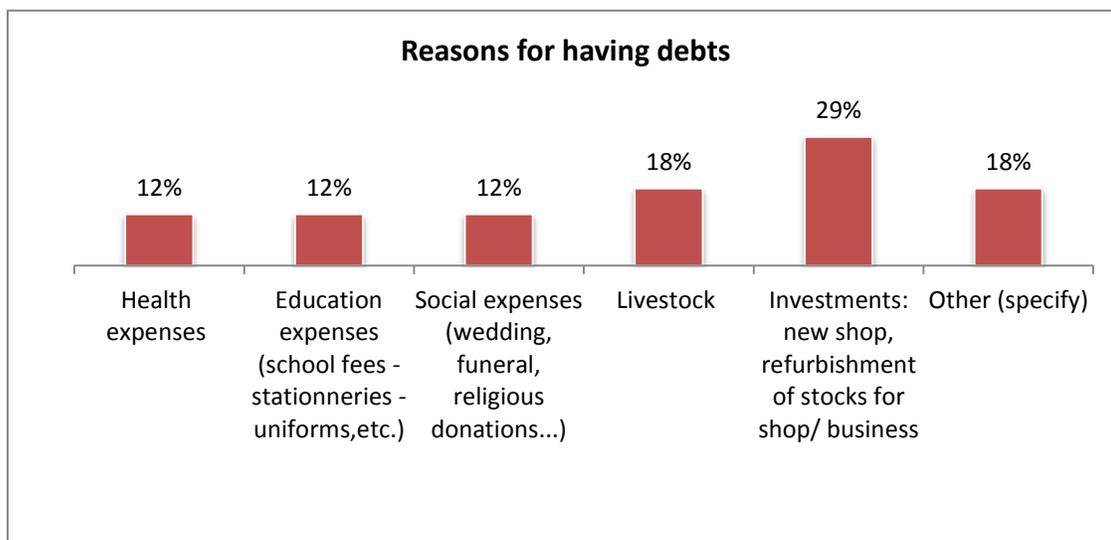
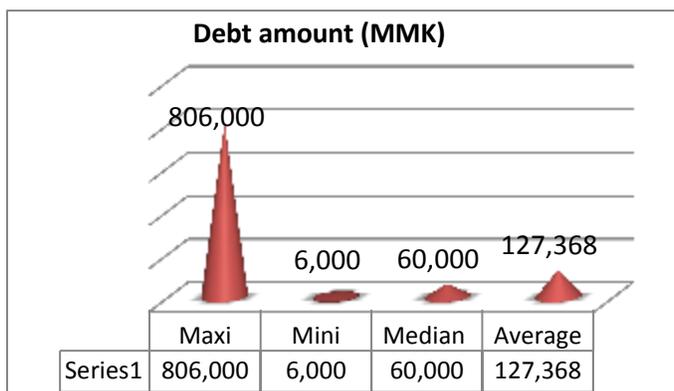
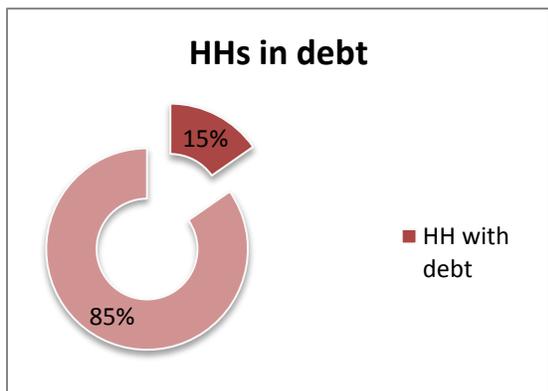
Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



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In general, buying at credit or borrowing is not considered as having debts and is then likely to then distort the answers.

Baseline survey

Economic Recovery and Market System

Kachin State – NGCA area, January 2015



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H. Coping strategy index (CSI)

In this baseline survey, beneficiaries were asked about the difficulties they faced in the previous month (study was conducted in January 2015) to get enough food or money and, if they faced any, what were the coping mechanisms that they chose to put in place..

The most frequently used strategy, experienced by 13.7% of the respondents every day, 3.2% once or twice a week and 9.7% less than once a week, is to rely on less preferred and less expensive foods.

8,9% of the respondents declare also limiting the portion size at mealtimes every day. We notice that the households who declare using this strategy are indeed households in economic difficulties with low incomes. In average, these households earn 44,450 MMK a month when the average for all beneficiaries is around 70,798 MMK.

Sometimes, households also declare to borrow food or rely on the support of a friend or relative (12.9% hardly at all and 6.5% one to three times a month). These HHs have relatively low incomes: 41,062 MMK a month in average (compared with the average for all beneficiaries around 70,798 MMK).

Returning to the village of origin, sharing of CSB from children's ration or unusual temporary migration (in or outside the country) were never chosen among the beneficiaries interviewed.

Coping mechanisms consisting in reducing number of meals eaten per day/sending children or other households members to eat elsewhere/collecting wild food - hunting or harvesting immature crops/selling any assets (livestock - in kind products) to buy basic food items or finally in reducing health or education expenditure to buy food have been hardly cited from interviewees (99.2% of them stated never).

In general, strategies used are not destructive.

Please see in the chart below for all coping strategy indexes by %.

Baseline survey

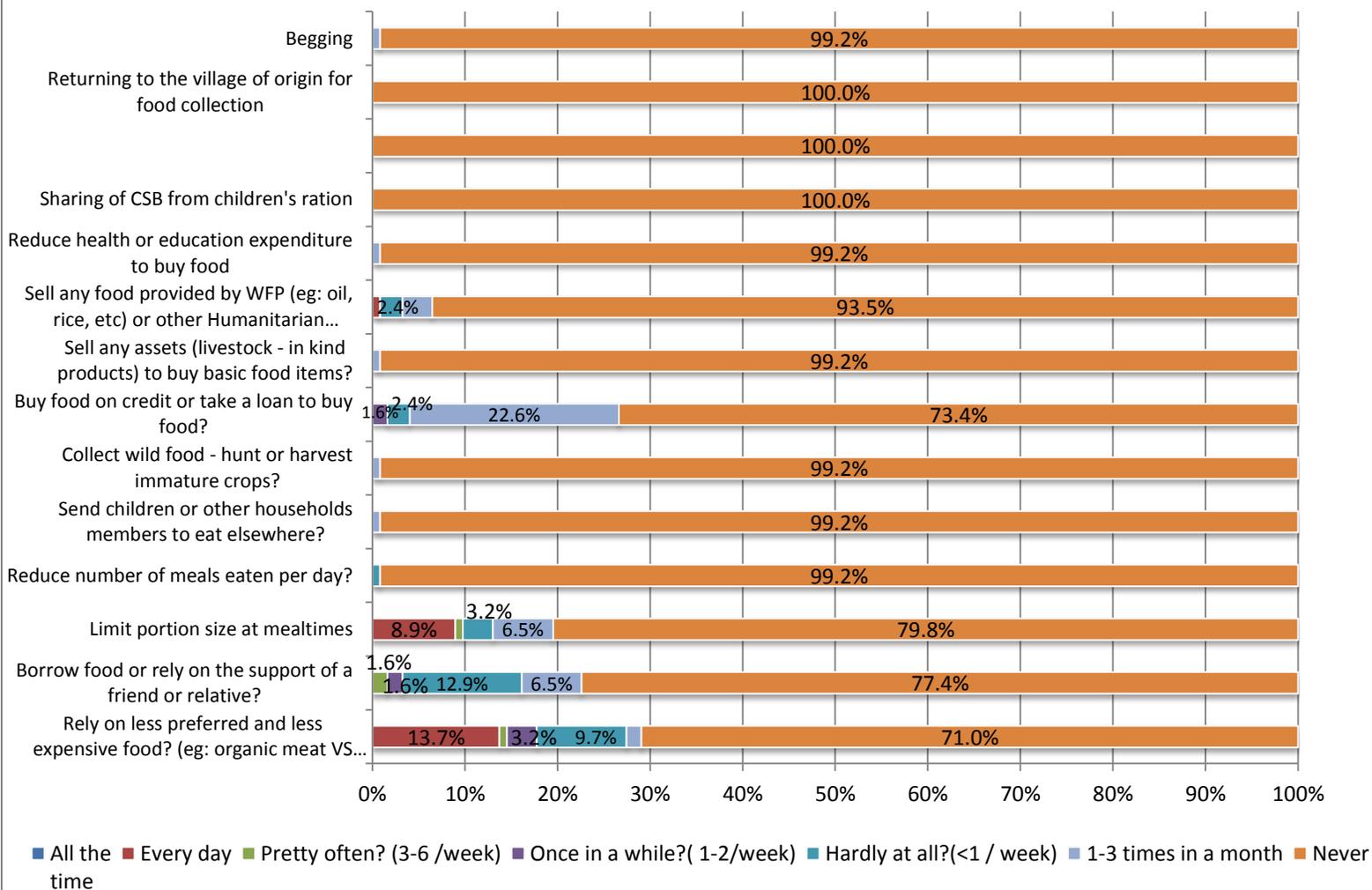
Economic Recovery and Market System

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Coping Mechanisms



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Conclusion

After the beneficiary baseline survey, KBC found that beneficiaries count a lot on food aid (cash for curry) as a regular source of income (for an average of 39,750 MMK per month and per family). 47% of them have no other source of income. However, 39% of the beneficiaries work to have a permanent income for an average of monthly income of 65,000 MMK. The other 13% have a more or less regular source of income based on daily work or agricultural labor at some specific period of the year (from 1 to 3 months per year). In average, they earn 33,600 MMK per month worked. Globally, the households earn in average around 65,000 MMK per month but the median value is more **around 49, 000 MMK a month**.

Regarding expenditure on food, bigger families do spend more in general in order to cover every members' needs. On average, one household spends 29,367 MMK a month for food, which corresponds to 5,563 MMK per person.

Finally, regarding non-food expenditures, we notice that these expenses remain in majority for basic needs like health, education, clothes but also for social events which accounts for the biggest percentage, and investments. In average, households have spent 58,109 MMK in non-food expenditures the month before the survey. For 69% of the households, this amount is similar to any other month. For these 69%, an amount of 18,714 MMK was spent for non-food expenditure.

In consequence, if we consider this last figure and extrapolate it for every household, we can conclude that with their current incomes, most of the households just cover or even not totally all their basic needs (49,000 MMK incomes – 29,367 MMK food expenses – 18,714 MMK Non-food expenditures = 919 MMK surplus).

With 39,750 MMK income per month coming from humanitarian aid, the most vulnerable households have, today, just the capacity not to increase too much their current debts (15% only have debts) and not to use destructive coping strategies.