

Findings of Illegal mining



Abbreviations and Acronyms

KIA	Kachin Independent Army
NLD	National League for Democracy
SNA	Shanni Nationalities Army

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1. Report Summary

Citizen Action for Transparency has surveyed the gold mining areas in HpaKant and Sagaing regions. We have surveyed the companies, small scale gold miners and their employees. We have surveyed the working hours, daily wages, access to medical treatment and background education etc.

After the coup d'état in 2021, the number of gold miners in Sagaing and Phakant regions has increased significantly. Most of the businesses operating in these areas continue to operate as illegal businesses because they do not want to deal with the coup army. Although they do not issue gold mining licenses they have to pay illegal payments to the military, police and also local authorities and other ethnic armed groups to continue their production. There are 53% of migrant workers in Phakant and 46% in Homalin respectively. In both regions, the gender ratio of migrant workers is almost the same. Local women get about twice as many jobs as migrant women. There are more underage child laborers in Phakant Township than Homalin Township. In terms of education, most of the workers in both townships have received basic education. The gold mining companies operating in Uyu River operate 24 hours a day. The working hours of the workers usually last about 12 hours, and they get a 12-hour break after work. Some say they work 24 hours a day with 24 hour break the next day. The salary of these workers is between 210,000 and 250,000.

Regarding the access to medical treatment, many workers can go to nearby hospitals, but they have to bear the health costs themselves, as well as having their wages deducted for the days they are absent from work due to health. Women also play an important role in gold mining. Most of the female workers in both townships are migrants.

2. Introduction

Without a good resource management system, Myanmar's mineral resources have been produced illegally with unregulated manners for years. As a result of that consequence, the citizens of Myanmar have only a damaged environment and social economy, and have not enjoyed the benefits of resource extraction. Under the quasi-democratic government of President Thein Sein, the implementation of a good resource management system began, and this process gained some momentum under the National League for Democracy (NLD) government. However, these activities were halted after the military coup on February 1, 2021. The military coup

destroyed the good resource management system that two successive democratic governments had tried to implement and pushed it into a worse situation.

After the military coup on February 1, 2021, the country's jade, mineral resources such as gold and oil have been more unregulated and illegally mined more than before. Unregulated and illegal mining of mineral resources is rampant in all regions where the resource is produced. Among them, it was learned through ground information that illegal gold mining activities are increasing.

During the military coup, CAFT Myanmar (Citizen Action for Transparency) recorded the ground in Upper Sagaing Region and Kachin State to find out the real situation of illegal gold mining. Homalin Township in Upper Sagaing Region and Phakant Township in Kachin State were selected for the research survey. These townships were chosen based on factors such as the fact that illegal gold mining has become apparent after the coup. We have prepared the survey questions based on the reason behind the increase of illegal minings, current livelihood status, and other important factors.

During the coup, due to difficulties in transportation and local conditions, we were only able to visit two townships, and only 17 people could be interviewed in each township. There were also some respondents who did not answer some questions due to their security concerns. Since the administration of the military council was in operation, the relevant departments related to resource extraction were omitted.

This research survey examines Myanmar's resource management system, which has been weak from the beginning and the illegal mining that has worsened during the military coup. We aim to record the environmental and social damage caused by these excavations as far as possible. In the future, we intend to implement a good resource management system as soon as possible under the democratic civilian government that is legally elected by the people, and to provide support implementing it.

Data Samples and Validity

CAFT has questioned gold mining companies, small scale gold miners, mining workers and other mining related labors in the mining sites of Hpakant and Sagaing regions. Over 50 people have been questioned about their working hours, monthly salary or daily wages, educational background, access to medical treatment and other related questions based on their position in gold mining activities.

Mine Operators

This report shows significant increase in gold mining sites after 2021 military coup through various field surveys. Almost every gold mine in the surveyed areas is operating illegally in order to avoid the junta's involvement and taxation. Although they avoid paying taxes directly by operating illegally, there are still a lot of extortion money they have to pay to the EAOs, military, district police and other various authority organizations.

Migrant workers status

There is around 53% and 46% of migrant relating to gold mining activities in Hpakant and Homalin township respectively. From the gender perspective, male and female migrant ratio is almost identical in both townships.

Occupational Status

In occupational status, almost twice the number of local female workers than migrants can be found in the mining related areas, while male migrant workers get 60 percent of the jobs available.

Age Group & Education

Underage miner rate is a lot higher in Hpakant than Homalin. It is noted that the workers in both townships attended and finished the basic primary school to high school level.

Working Hour & Wages

Gold minings in the Uru Creek are being operated 24/7 with two 12 hour shifts. Some respondents also state that they get to rest 24 hours for every 24 hours of work. They earn around 210,000 to 250,000 MMK per month.

Access to medical treatment

While the miners have access to medical centers around them, all expenses are incurred by themselves. They also get salary deduction for every leaves they take, no matter the reason.

Female Workers

Women are seen to play an essential role in gold mining operations at Homalin and Hpakant Townships. Most of the female workers in both townships are migrants and the local population is a minority.

3. Findings of Illegal Mining

The current situation of illegal mining during the coup was investigated in Homalin Township, Sagaing Region and Hpakant Township, Kachin State. Investigation was made based on three different types: operators, male workers and female workers. Only 17 people per township had been interviewed according to the military coup period and the territorial situation in the region,



The survey results are presented at the following.

3.1 Mine operators

Gold minings are significantly increasing during the military coup period. All the miners do illegal mining without license and the taxes will be paid to the Military Junta if the license is applied at this time. Therefore, even some operators who did mining with a license turn into illegal mining because they do not want to pay the taxes to the Military Junta. Although they do not pay the taxes, it is found that the operators have to pay a lot of extortion money to the regional EAOs, Military, police and respective organizations. It is found that the rate of extortion money may vary depending on the location, extraction rate of gold and township. The gold miners from Homalin Township have to pay the extortion money to SNA, Military, police and respective departments. The rate of extortion money which is paid to SNA is highest and the miners who extract mining at Uru creek have to pay 50 to 200

million kyats. It is noted that the miners who do at the West bank of Uru creek have to pay the extortion money to SNA and the ones who do at the East bank of Uru creek have to pay the money to the Military and police. It is observed that the miners from Hpakant Township, Kachin State have to pay the extortion money to KIA, SNA and Military junta. It is observed that miners who do repeatedly at the old blocks pay the money to the owners of the old blocks. The miner from old blocks has to pay the money to the old block owners depending on the extraction rate of gold. Actually, these old blocks are not related to the original block owner and the license of these blocks are already expired. However, it is assumed that the original miners own these blocks according to the customary rules, the owners of these old blocks are also taking advantage of the ignorance of those who want to excavate, pretending to own them and collecting the money from them. Also the miners who do at the old plots have to occasionally extort money to KIA, SNA, Military, police and other government departments. In the current circumstances, the scale of the plot cannot be specified. Those who are working at Uru creek in Homalin Township demarcate the area of the plot with the measurement of the raft that is used for gold mining and these measurements are made by SNA who is from Uru creek in Homalin Township and the owners of old plots from inland. It is found that there is no gold mining at Uru creek in Hpakant Township, but they excavate inland. For machinery use, large-scale miners use backhoes and machines with about 400 hp and small-scale miners use machines with about 360 hp. The number of workers ranges from about 10 to 50 workers in large-scale operations and there are about 4-6 workers in small-scale operations. The operators are from both local and non-native people and it is found that there are more non-native migrant operators after the military coup. The environmental destruction caused by gold mining reached the worst situation in the post-coup period. Gold mining is no longer extracting gold without following rules and regulations and it is found that the disposed soil and water is disposed of recklessly and mining operations are done in Uru creek while the soil are being disposed into the Uru creek. Uru creek has been seriously deteriorated by illegal gold mining and it is observed that Chaung Gyi creek which is tributary of Uru creek was being destroyed by the previous year gold mining operations. Even though some mining operators pay the drugs to their employees instead of wages, the witness is not found. The mining operators answered that they do not allow the employee to use drugs and they will be dismissed from their jobs if they used drugs.

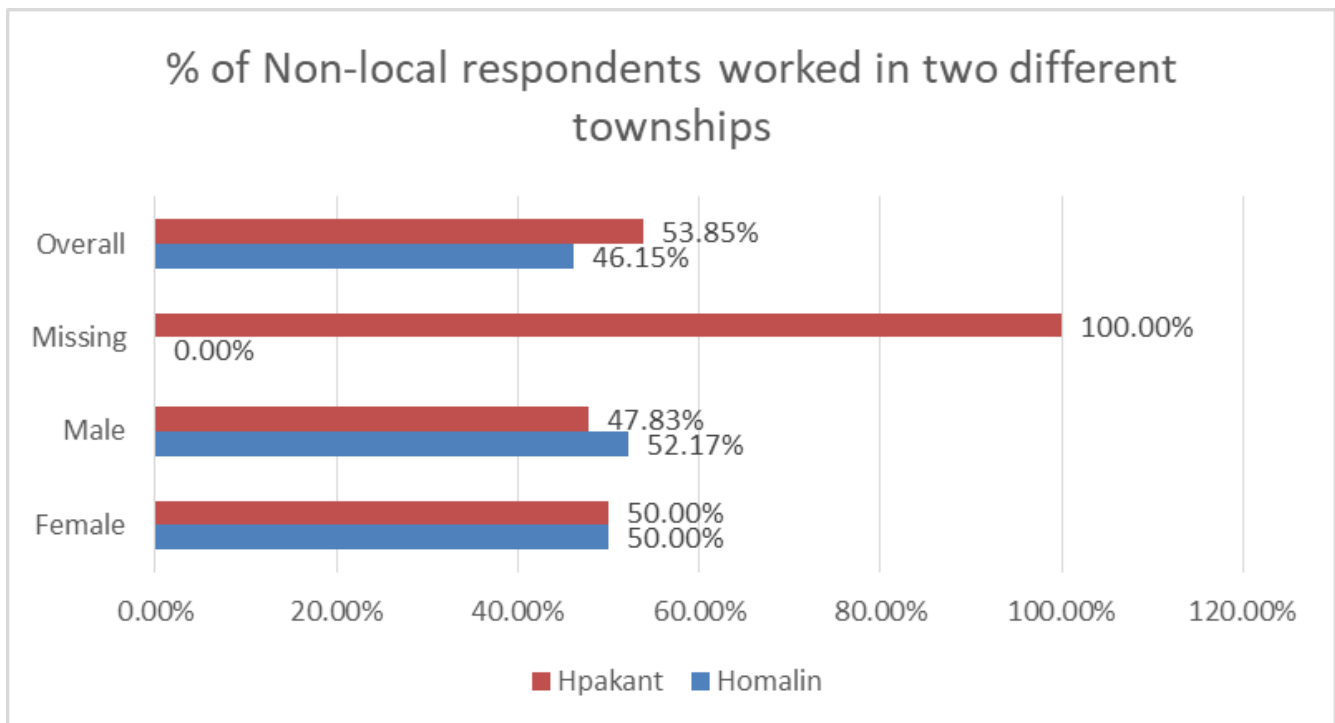
Other findings revealed that machinery, carpets and other equipments used in gold mining were imported from China and the price of equipment used in mining had risen up to 3 times of the original value due to the closing of Chinese border gates after the coup. Mining operators said that gold mining is just running the operation due to rises of price of diesel, goods and high rate of extortion money.

According to these facts, there are no profits to the local people and the country but only the organizations who collected extorted money benefit although the environment is deteriorating during the military coup.



3.2 Migrants working status in Hpakant and Homalin Townships

Figure -1

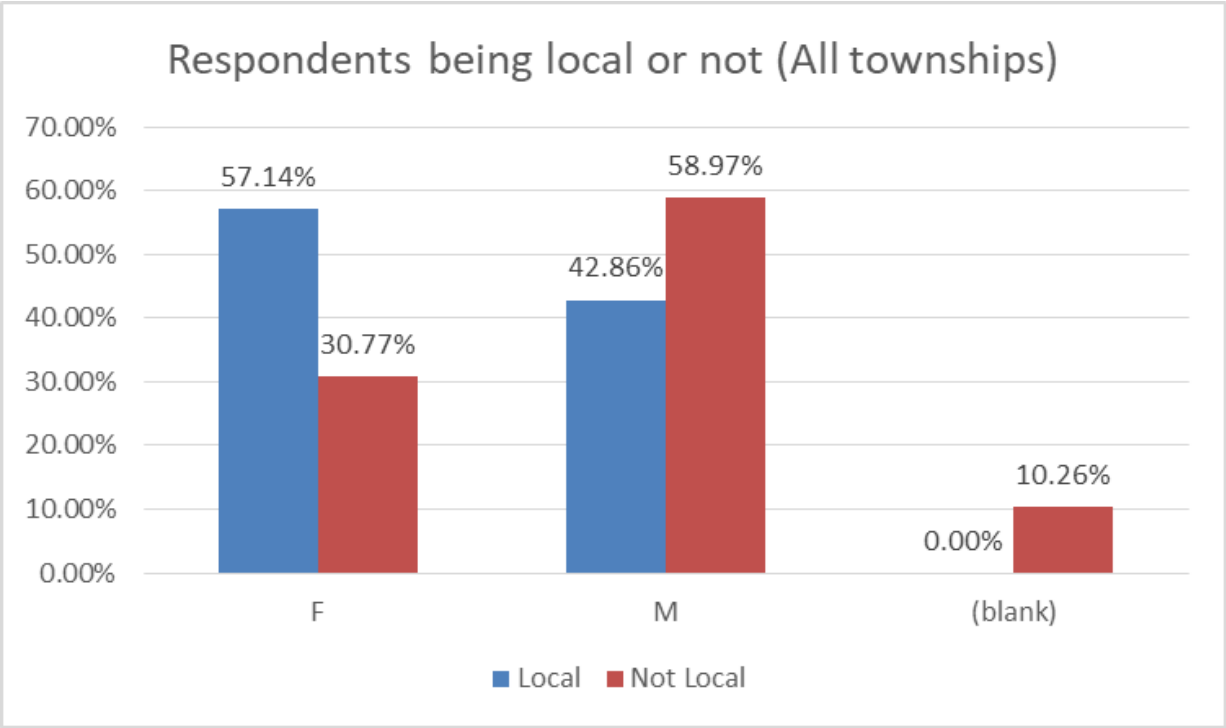


In Hpakant township, it was found that less than half of the male and half of the female were working as non locals whereas about half of the migrants were male and half were female.

3.3 Occupational situation of male workers

Most of the male workers are migrants and only a few locals can be found.

Figure –2



The ages of the worker in both townships vary from teenage to over 50- aged.

Figure –3

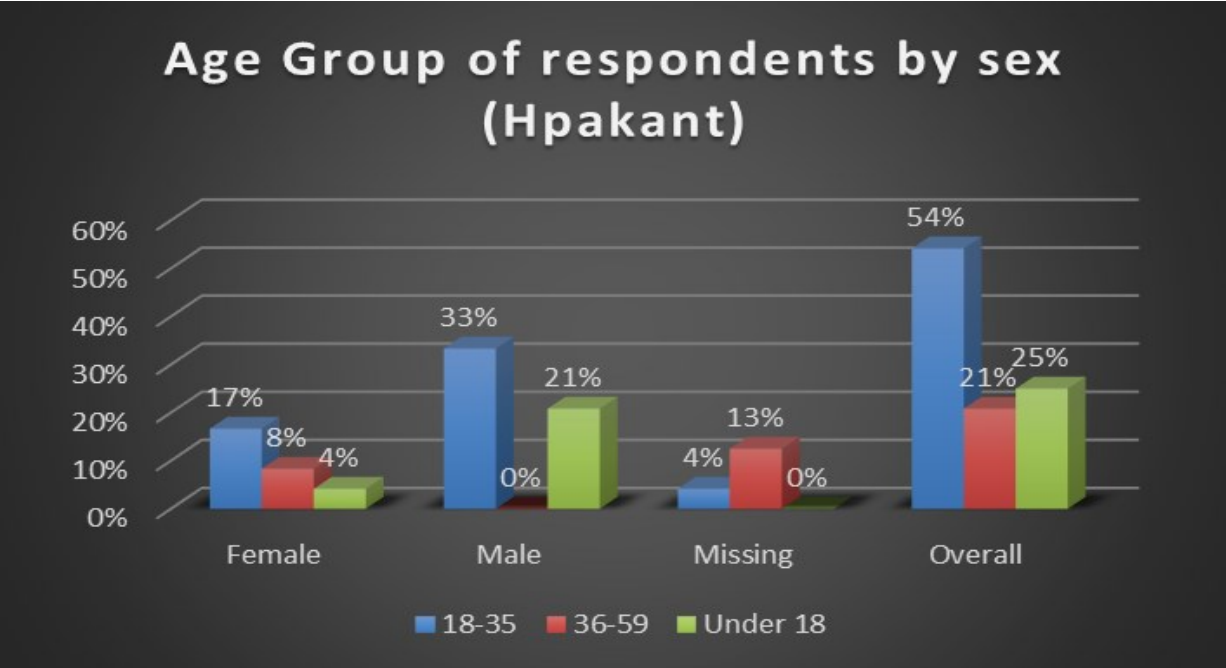
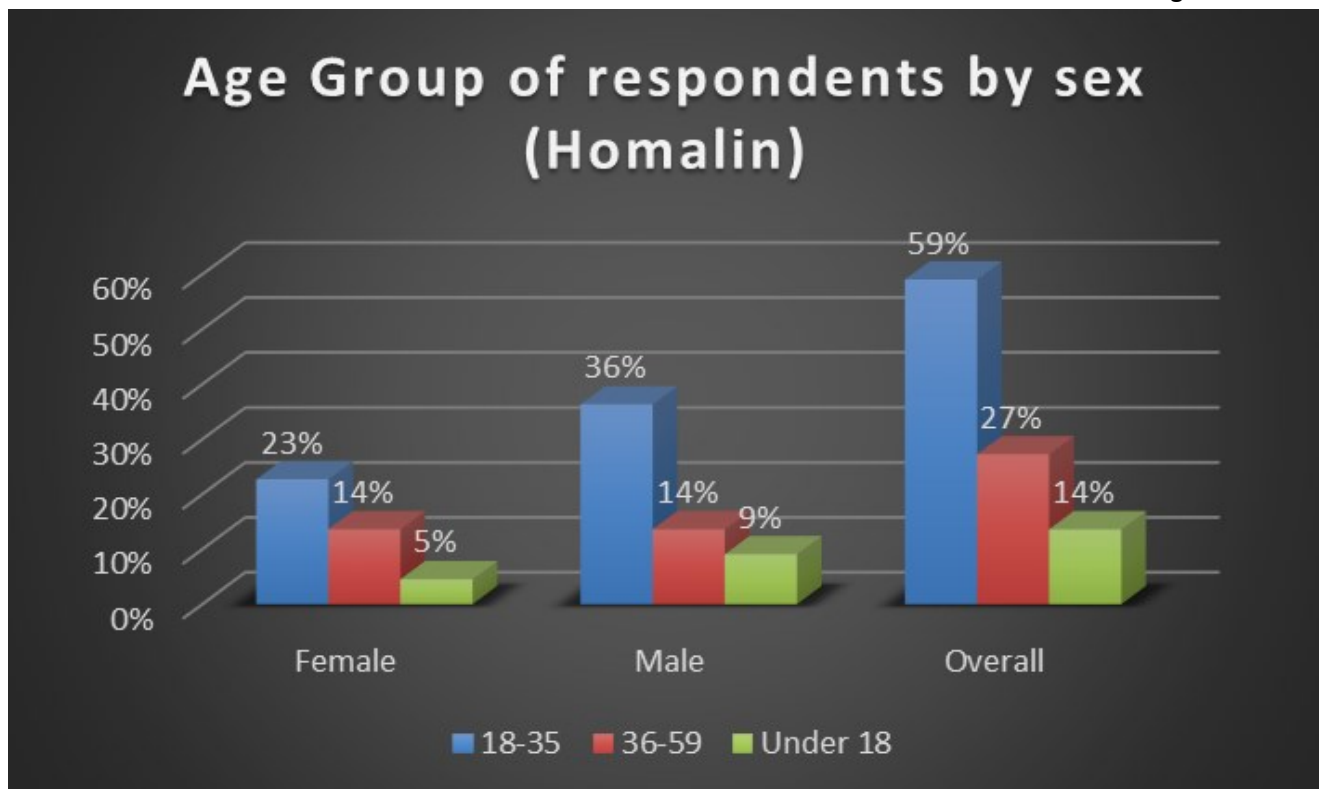


Figure – 4



It is noted that the workers in both townships attended and finished the basic primary school to high school level.

Figure - 5

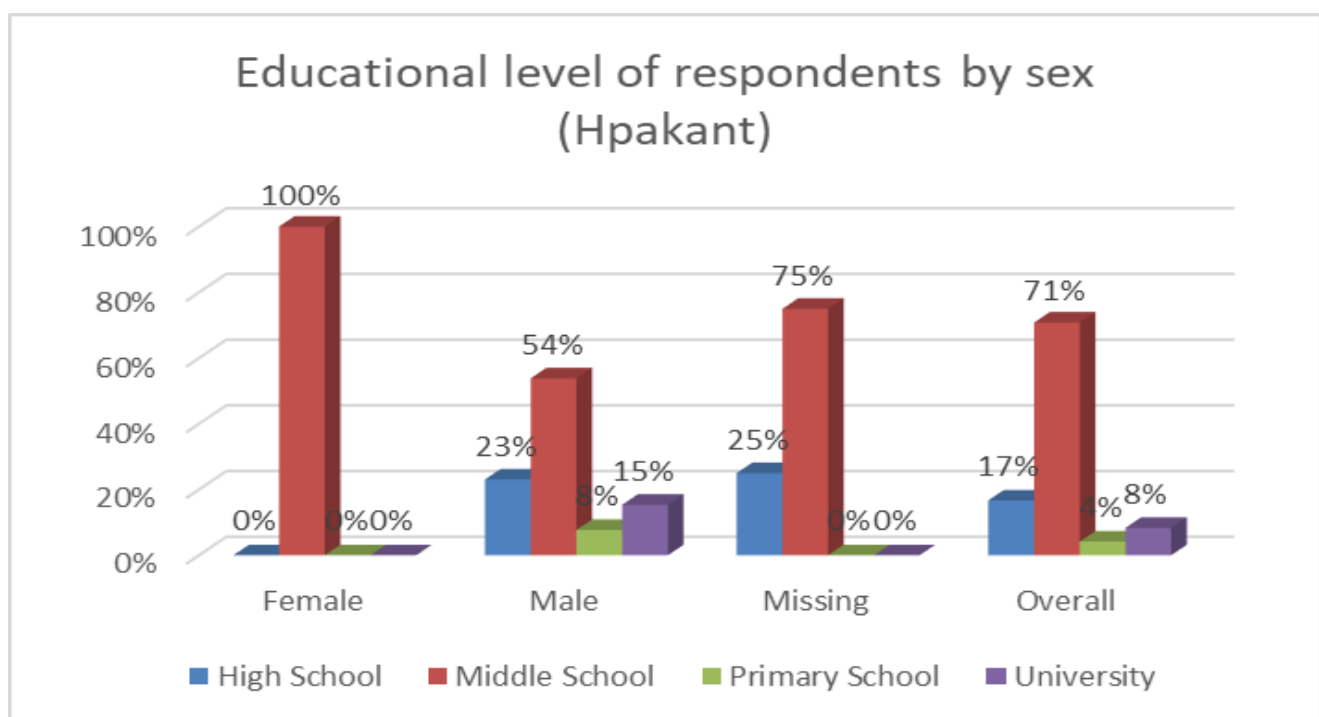
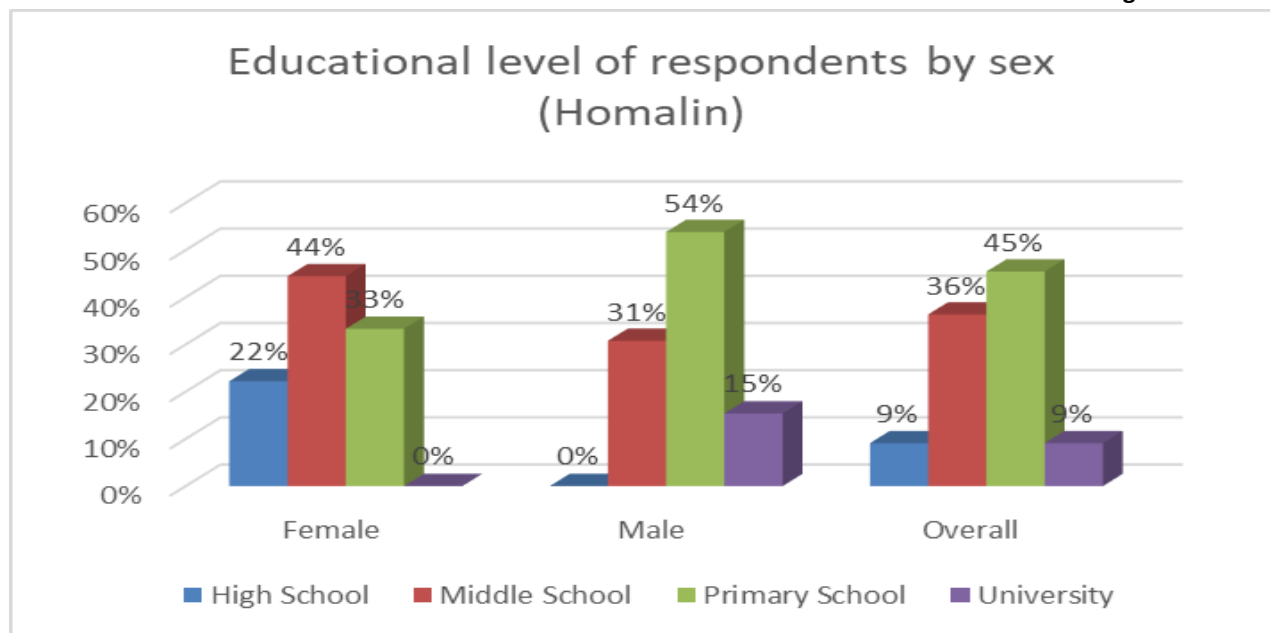


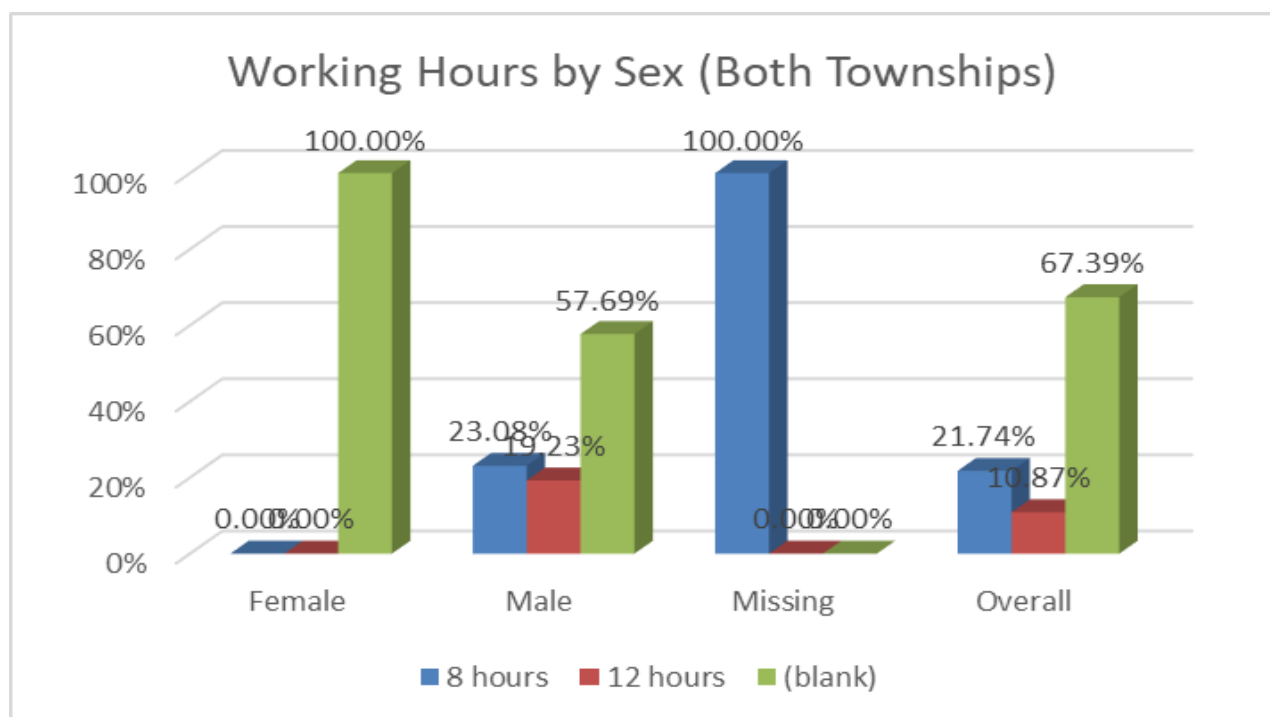
Figure - 6



In the past, the workers did the gold mining to get more expenses and to save the capital. But, the scarcity of employment opportunities in the native town led to an increase in the number of workers who came to work for their livelihood.

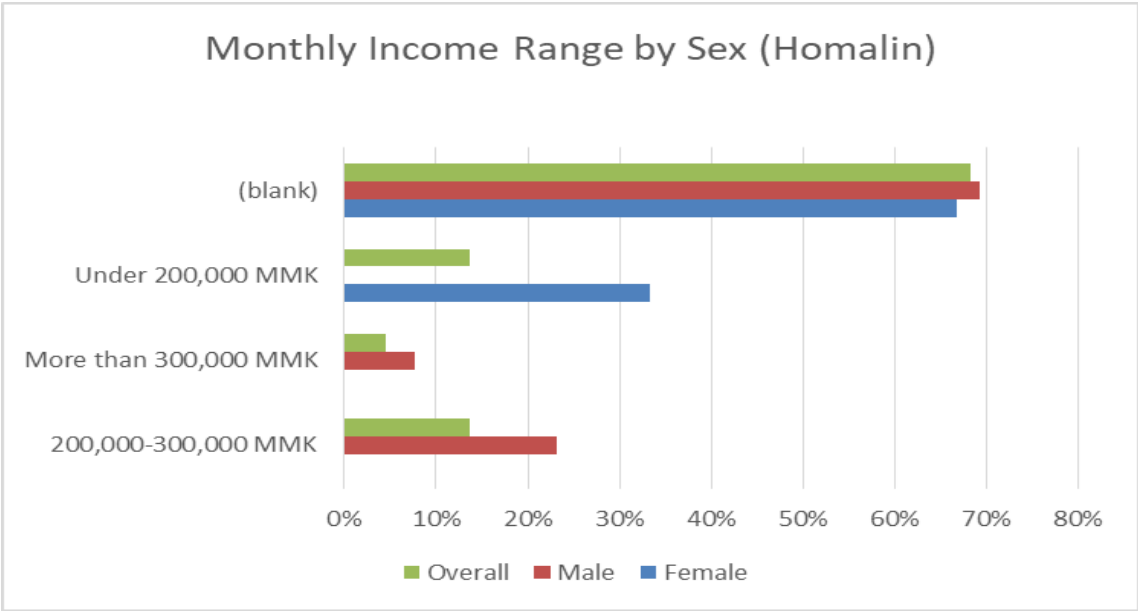
The working hour per day and daily wages vary depending on the type of gold mining and skills. The working hours per day in gold mining of Homalin Township last 12 hours and the work activities start from 6 a.m to 7 p.m.

Figure - 7



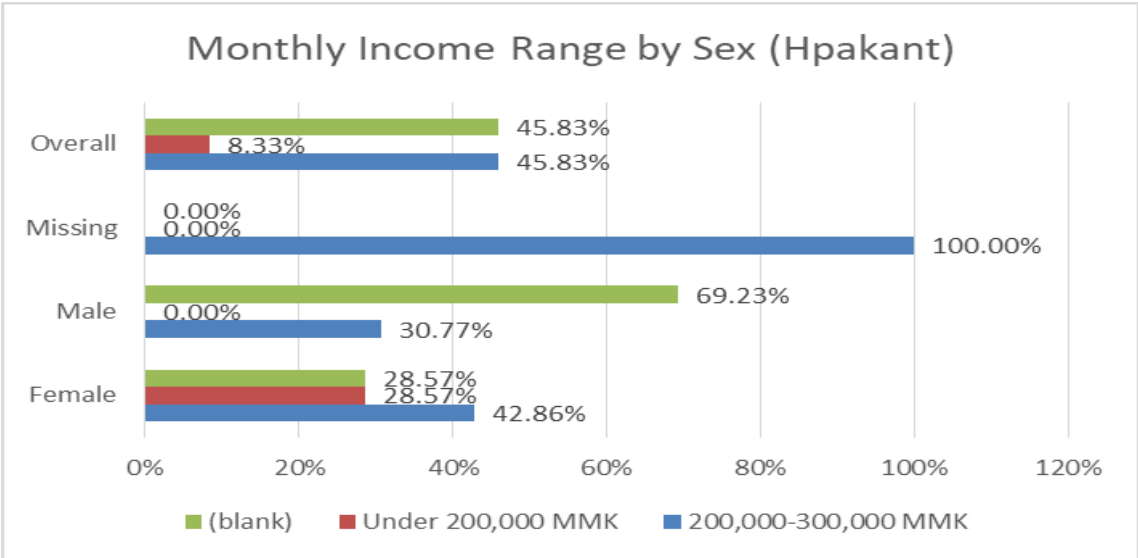
Excavations in Uru creek were operated for 24 hours and forced the workers to take day and night shifts. However, it is also seen that they work for 24 hours and rest for 24 hours alternatively. There seem to be excessive working hours for mining workers at gold mining in Homalin township. The working hours of mining workers at Hpakant township is about 8 hours a day and it is fair enough.

Figure - 8



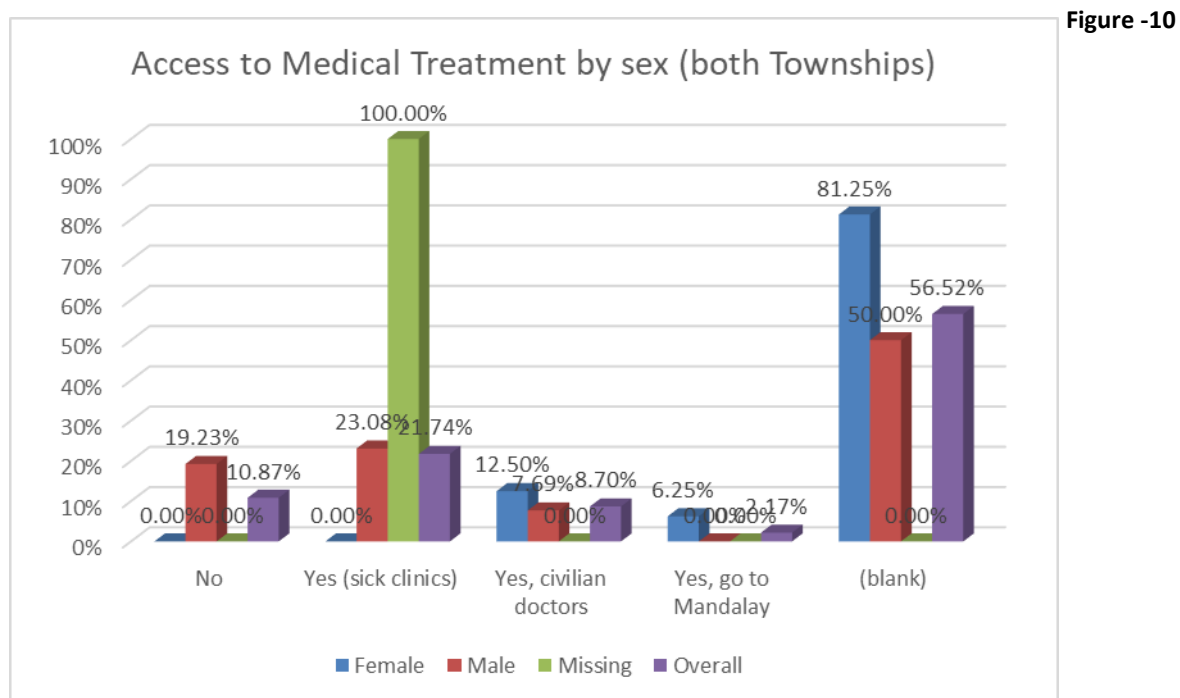
The workers from Hpakant Township earn ranging from 210,000 to 250,000 kyats per month.

Figure - 9



The workers can take holidays only on religious days without a weekend break. The wages have to be cut off if the workers cannot go to the job due to illness and not because of the workplace injuries. Medical expenses for illness are also personally incurred by the employee.

The workers from mining which is near Sal Zin village, Hpakant Township are eligible for medical treatment at a free clinic in the village if they are sick and the wages are not cut off for the day that they are sick and unable to go to work.



They do not receive any compensation for workplace injuries. If a workplace injury occurs, the employer provides medical treatment for injury. And then, the employer pays the travel cost and a small amount of money for physical damage and sends them back. Some employers pay medical treatment and travel expenses. If there is a lethal case due to workplace accidents, some pay million kyats for compensation and some keep it confidential to lower the compensation cost.

There are two types of workers: married with children and single. Most of the workers can provide some amount of money to their parents and family but some cannot. However, they cannot provide adequately for family's livelihood. It is only in a position to provide for the family's food and shelter and the rest family members have to work. Most of the workers used to be peasants and waged labors in their hometown. While schools were closed because of COVID-19 pandemic and the coup, it is found that many children work as child labors in gold mining.

The ages of child laborers are younger than 15-year old. The child laborers are still attending in grade six to grade tenth. Many respondents answered that they will not return to the school because they start to work because of their parents' economic difficulties and long closure of school.

The same fact that is found in gold mining at Homalin Township and Hpakant Township is working with oral agreement without mutual agreement between employer and employee.

3.4 Female Workers

Women are seen to play an essential role in gold mining operations at Homalin and Hpakant Townships. Most of the female workers in both townships are migrants and the local population is a minority.

Figure -11

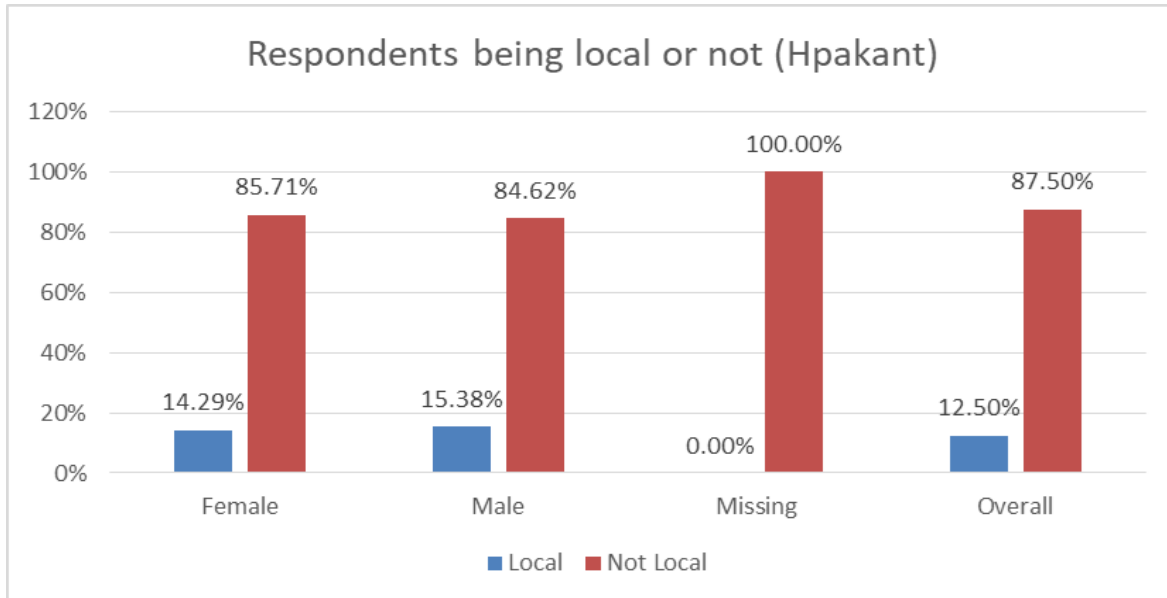
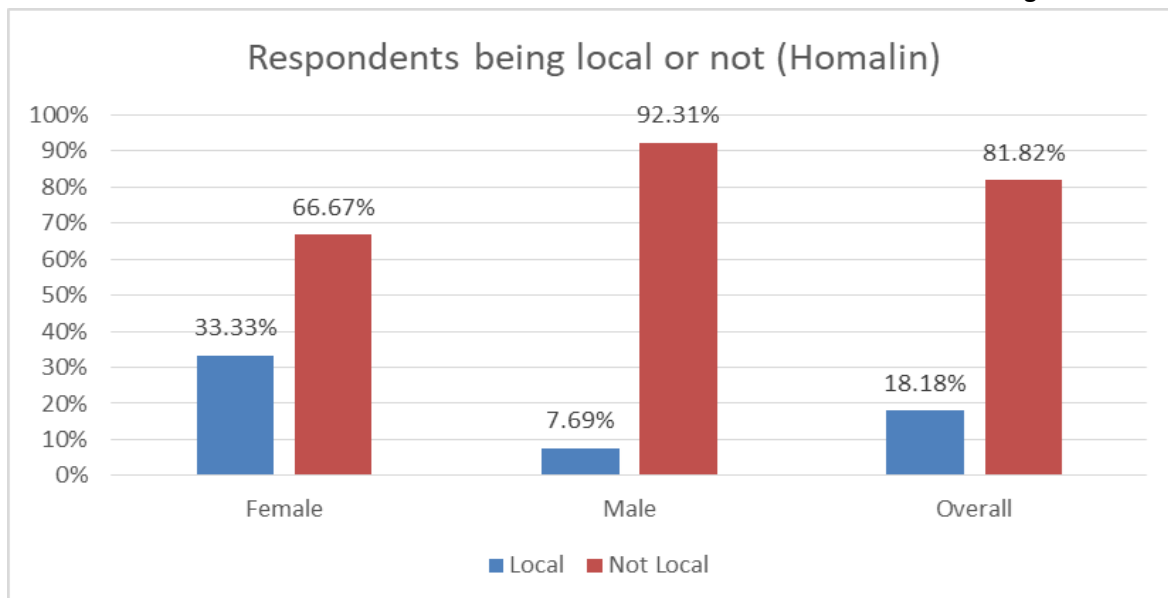


Figure -12



The duty of the female workers is pan for gold+cooking and doing housekeeping of the employee in some places.

The ages of women in both townships are wide-ranged and 15 to 50-year-old women workers can be found.

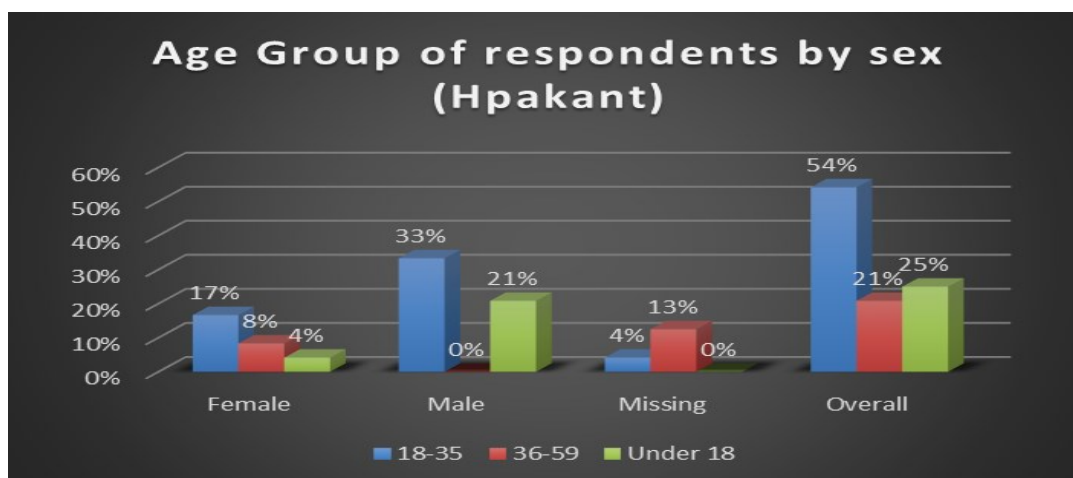


Figure -13

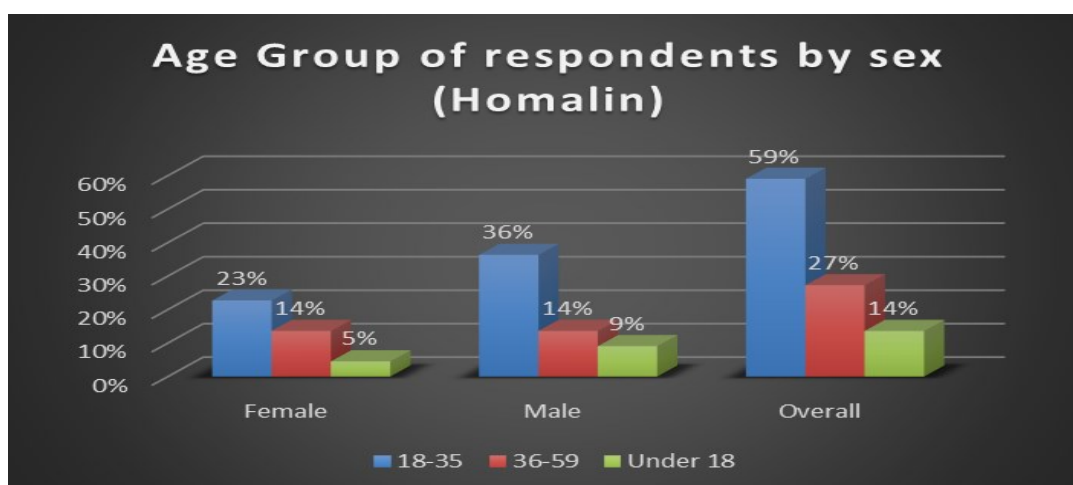


Figure -14

Education level ranges from primary to high school. In Hpakant township, most of the female workers finished the middle school whereas less than half of the female workers completed middle level, about one third attended primary school and less than one third of the female respondents finished the high school in Homalin township respectively.

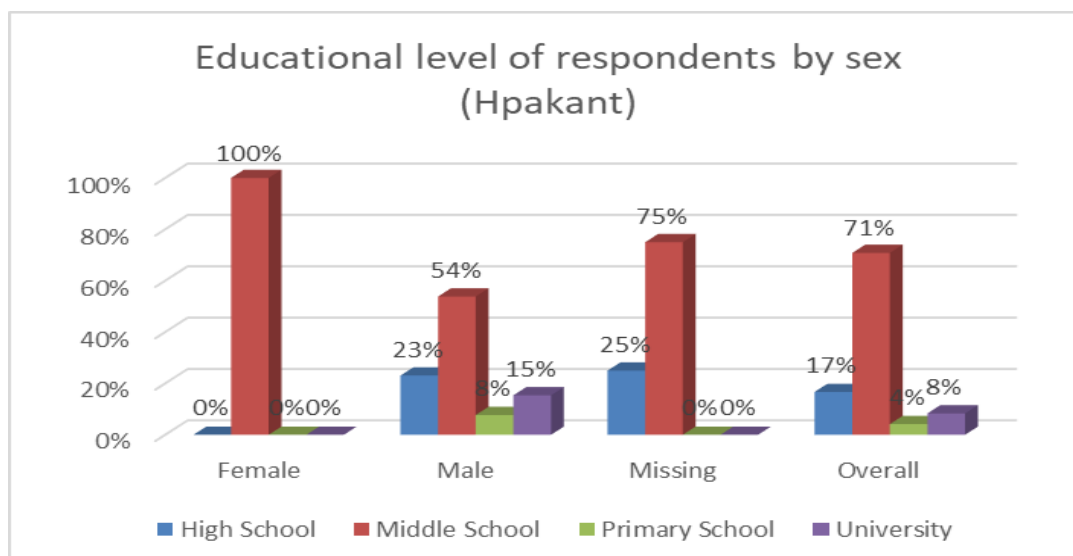


Figure -15

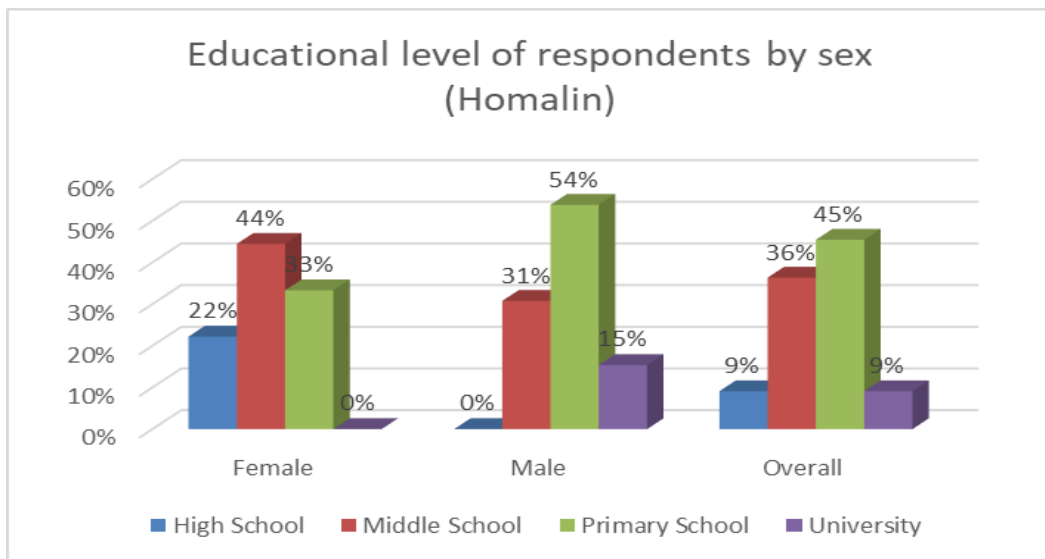


Figure -16

It is found that female workers are married and single status. The husband of married women workers also work together as workers in the same job. Female workers earned between 150,000 kyats and 200,000 kyats a month while providing food cost.

The wage of female workers at Homalin Township is 150,000 kyats and those at Sal Zin village, Hpakant Township earn 200,000 kyats.

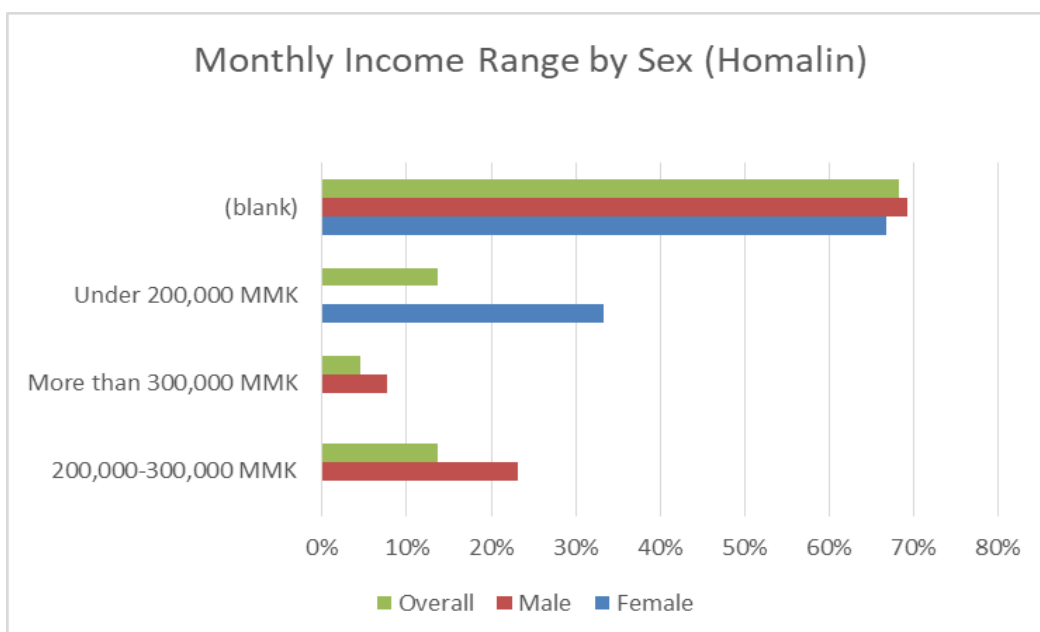
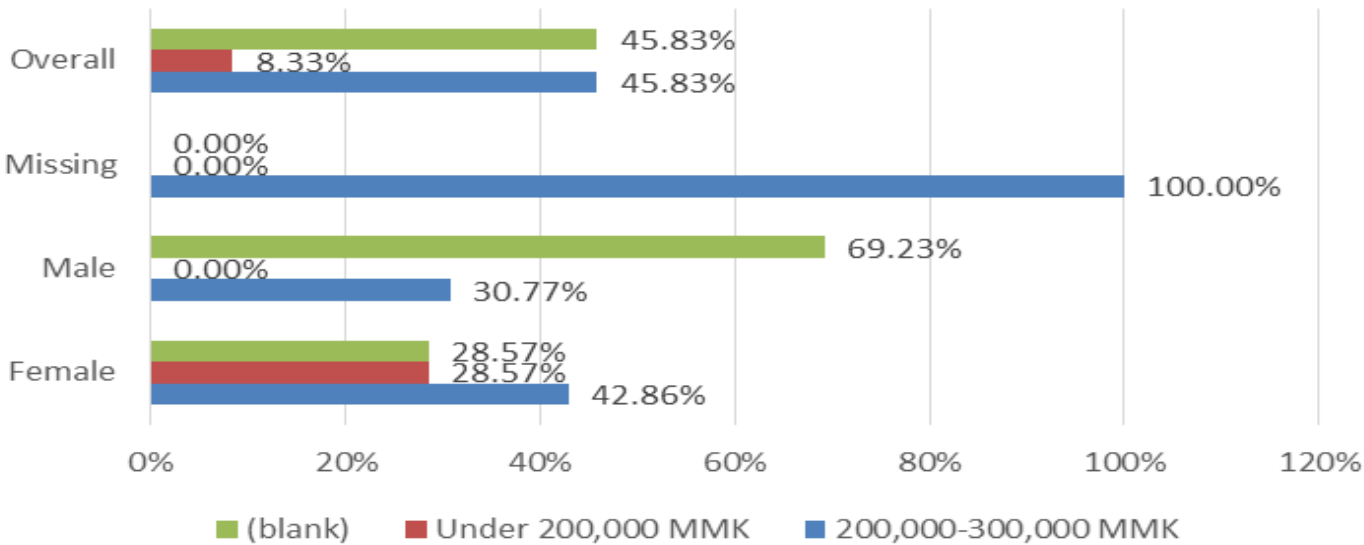


Figure -17

Figure -18

Monthly Income Range by Sex (Hpakant)



Female workers are not paid equal wages with the male workers and are earned less wages than the male workers.

But, there are only daily waged female workers who pan for gold.They do not have holidays.



Although male workers have holidays on religious days , the female workers do cooking on these days without taking a break. Although women's tasks may seem easy, they work at dangerous operation part. This is because they are exposed with mercury to capture the gold after panning. They handle the mercury without any protective equipments at usage of mercury. Only women keep the mercury in their mouth, sucking the mercury by keeping the gold balls in their mouth which is caught with mercury baking the gold ball which is caught by mercury, and gas blowing. They do have knowledge about the negative impacts of mercury poisoning. If the mercury poisoning and the negative impacts of mercury usages are told to them, they don't accept and believe.

Child laborers (female students) can be found in female workers. They have to work due to the livelihood of their family while schools are closed during COVID-19 pandemic and the coup. It can be observed that the ages of child female laboreres range from 15 to 17 year-old and their education level is grade 8 to grade 10. Child female workers are able to provide their wages to their family's livelihood at their side and are hoping to return to school if the schools will be reopened.

During the coup period, the natural environment seriously deteriorated by increasing gold mining operations, collecting extortion money from armed groups and the military in the region as they desired. Migrant workers are increasing and it is observed that the male and female workers do not know about the knowledge of labor rights, lack of working hours, salary and opportunities in accordance with the mining rules, violations of the labor rights at the workplace.

4. Conclusion and recommendations

Myanmar is a country that depends on natural resources and has been in civil war for more than 70 years. However, laws and regulations related to natural resources are weak in terms of supporting them to make profits. Due to the weakness of the laws and regulations, the citizens living in the country who will benefit through the governments are also greatly affected. Due to the lack of effective monitoring capabilities of the successive governments of Myanmar, mine operators are excavating more than they are allowed to. Due to underpayment of taxes, the country is not getting the full benefits it should get. After the military coup d'état on February 1, 2021, it was learned through ground information that illegal gold mining activities are increasing. The goal of this report is to reveal the causes behind the unlimited proliferation of illegal gold mining, to know the impacts on the socio-economic and natural environment. Due to the fact that the period of COVID-19 coincided with the military coup, we aimed to find out the situations in which school-age children are forced to carry out these activities.

According to the information found in this report, if illegal gold mining activities are not controlled, it can cause environmental damage and affect socio-economic life. This report highlights how to find solutions and what successive governments have failed to consider.

After the coup d'état, illegal gold mining was carried out by the government employees themselves, who were bribed to issue mining licenses. It is seen that the SNA, KIA and the coup army are acting like the current local authorities, dividing the land between them and asking for additional fees. Illegal gold mining companies pay monthly (or weekly) and periodic visits to the armed groups at their mining sites, and they are seen to be mining in an undisciplined manner, without environmental protection and compliance with existing laws. Due to such excavations, the Uru River may disappear in the near future, and it has been proven that even now, the Chaung Gyi Creek that flows into the Uru River has also disappeared. In the future, if we do not stop the unregulated disposal of waste land, the Chin Dwin river may become shallow like the Uru River. It has been found that the villages around Uru River are affected by floods every year during the rainy season and may suffer worse in the future. Uru River is now navigable in the rainy season, but it is not convenient to use the navigable channel in summer and winter.

Child laborers

The fact that 25 percent of the total workers who answered the questions are underage child laborers does not bode well for the country's future. Myanmar's mining law states that children may not be employed, and anyone under the age of 18 may not be employed to work in mines. Under previous governments, miners were forced to hire more adult workers than child labor despite law enforcement of mining regulations. Those periods were a time of political and economic stability. Since the educational activities were running normally, the children were not involved in the mining (gold mining) industry. However, since the coup d'état, migrant workers have become more numerous, and child laborers have been employed in the mining industry (gold mining industry) and employers have forced them to hire child laborers.

Mining (gold mining) is a tough and dangerous business. It's a laborious industry, even for adult workers. Especially with the mining law like Myanmar's, where enforcement of regulations is weak, miners are forced to walk a tightrope. The coup derailed the country's economy, strained families' livelihoods, and forced school children to work in mining, a dangerous profession for those children.

The development of a country is directly proportional to the education level of children in the country. As child labor becomes more abundant, the country will still be far from developing. In addition, the large number of child laborers involved in the mining industry is a clear sign of the country's intellectual collapsing.

Male worker

Migrant workers are seen to be more men than women, and illegal gold mining workers are less likely to answer that they have fixed working hours, and working hours vary from place to place. Depending on the amount of

gold produced, you can see that people work 24 hours a day and have 24 hours off. As workers, they perform hard work all day long and work in wet clothes throughout the working hours, which will harm the health of these workers in the long run. Workplaces that are unsafe and harmful to health. The existing laws and regulations should be taken into consideration and taken seriously by those concerned to allow them to enjoy equal pay (or day counts) and reduce working hours.

Women workers

Gold mining operations in Myanmar use sodium cyanide and mercury to refine the gold. Both are chemicals that are harmful to the user and the environment. There are not many women workers in the gold mining industry using sodium cyanide, but women workers are found in the gold mining industry using mercury. Especially in Kachin state and upper part of Sagaing region.

People exposed to mercury in gold mining activities in Sagaing Region and Kachin State. The people who handle and use mercury are women, and these women are pregnant women and mothers most of the time. Since most of the people who handle and use mercury are women, it is certain that female workers in these industries are at risk of mercury poisoning. In addition, babies born to mothers and pregnant women exposed to mercury. Infants and children can also suffer from mercury poisoning, so there is a special need for educational activities.

Health care

As illegal gold miners, dealing with workers' health problems, it is necessary to open joint clinics like the illegal entrepreneurs in Selzin Village and take serious responsibility for monitoring the health of workers.

Labor rights

The increase in the number of migrant workers in illegal gold mining is due to the scarcity of employment opportunities in the country, and they come to work to support their families. Working hours vary from region to region, and in some regions, working hours are long and wages are being exploited. It is obvious that almost all workers in the field are unaware of their rights. Labor rights violations found in illegal gold mining operations and environmental damage should be monitored and recorded by the PaKaFa and PaAaFa in those areas, and the findings should be dealt with thoroughly.

This research survey faces time and situational difficulties, It didn't go as far as we have thought it would because it was conducted based on the safety of the survey takers and the safety of the respondents.