



POLICY BRIEF

Impacts of Armed Conflict and Rare-Earth Extraction on
Local Livelihoods and Environment in Chihpwi and Pang Wa,
Kachin State, Myanmar

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Introduction

Kachin State is the northernmost state in Myanmar. It shares a border with China to the north and east, and India to the west (Dean, 2005). Kachin Special Region 1, including the Pangwa area, borders Yunnan Province, China, established by the previous military regime in 1994. This area was ruled for more than 30 years by Zakhung Ting Ying, the former leader of the New Democratic Army-Kachin (NDAK) in 1989, and subsequently became part of the Border Guard Force (BGF) in 2009 (Wood, 2011). Ethnic ceasefire groups, like the former NDA-K, are local militias associated with the Tatmadaw's 1960s doctrine of **"people's war."** The term **"Pyithusit,"** meaning **"people's war,"** refers to these Tatmadaw-supported militia units and is used to describe various local armed groups (Buchanan, 2016: 6). However, Kachin News Group reported that the whole Kachin Special Region 1 has been under the control of the Kachin Independence Army/Organization (KIA/KIO) since November 2024.

According to Global Witness (2022), it shows that Chinese rare earth mining has grown very fast since 2016, especially in Pang Wa, because rare earth elements are crucial, and as the world wants more technology, the demand for them is growing. Because of their special magnetic and electrical properties, they are essential for many modern high-tech devices we use today (Müller, Schweizer, & Seiler, 2016; Klinger, 2017). As a result, these mines use strong chemicals and leave waste that pollutes land, water, and air. Streams are poisoned, animals disappear, and farms no longer produce good crops. Local people, especially farmers and villagers who depend on land for food and income, are the most affected. They have faced loss of land, lower yields, unfair wages, increasing drug use, and broken families.



Water Contamination:

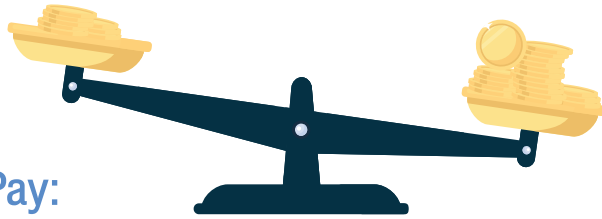
Rare earth mining has led to severe water contamination in the Pang Wa and Chihpwi areas of Kachin State, primarily due to the use of chemicals in the in-situ leaching method (GlobalWitness, 2022). This pollution has rendered local water sources unsafe. The Chihpwi stream and Nami River water are now poisoned, and residents no longer use them for drinking, cooking, bathing, or even farming. The poisoned water has devastated the environment. There are no fish left in the streams, and fish are seen as deformities, like missing tails or blindness. Furthermore, the contaminated water has harmed local agriculture, causing fruit trees (like oranges) to dry up and fruits to fall before ripening. Plus, the contamination of water sources has forced herders to stop raising cattle. Many animals got sick or died, causing a big loss for families who depended on their livestock.



Agricultural impact:

Currently, Farmers have experienced significant income loss because Chinese buyers refuse to purchase crops, such as vegetables and fruits, grown near mining sites. Additionally, one family I interviewed told me that they have lost part of their rice farmland due to landslides. Because of this, they are worried that the rice they harvest will no longer be enough to feed their family. Therefore, they will need to buy rice from the market to feed their family from next year. Furthermore, essential export crops like Black cardamom and Walnuts are no longer meeting quality standards.





Unequal Pay:

A significant concern raised by local residents is the profound inequality in wages between local and Chinese mining workers. Local workers are paid two to three times less than Chinese workers, even when they do the same jobs. People clearly call this a “**huge discrimination**” and “**inequality**.” Because of this, local residents feel they are being treated as “cheap labor.” One interviewee noted clear discrimination, where Chinese workers, who are not involved in the most hazardous jobs, still earn three times more than local workers.

Drug Use and Family Breakdowns:

The mining areas are categorized as free zones, leading to easy access to drugs. Thus, there is a significant increase in drug addiction among young people and husbands. The rise in drug and gambling habits, particularly among young people, has resulted in individuals stealing from home to fund their gambling and drug habits, causing financial and social breakdowns in many families. Indeed, these harmful impacts show an urgent need for stronger social protections and tighter control of drugs.



KIO Governance Challenges:

My findings reveal that some local people felt they had more freedom to do business in the past, but now political changes have made business more difficult. They want KIO to talk more with local people, explain policies clearly, and show their plans in a transparent way. The fact that some locals still prefer Zakung Ting Ying’s leadership suggests strong nostalgia for the old system and shows how hard it is for a new authority to gain legitimacy without clear communication and visible engagement in the community. There is still a lack of transparency regarding mining contracts and revenue.



Community Adaptation:

Some families have adapted by finding new sources of income through opening restaurants, grocery shops, and working in the mines. A few villagers managed to secure money by selling their land, which they used to pay for their children's education or purchase plots of land in nearby towns like Wai Maw or Myitkyina. However, this is seen as a “double-edged sword” as it involves the loss of their original land and resources. In addition, one of the interviewees said they have installed a pipeline to bring safe, clean water from the mountains, about 5-10 miles away from the mining area. Local people from Pang Wa have also prioritized the preservation of specific sources for drinking, such as relying on water from Kyang Hkawng Mountain. Installing this pipeline is one of their coping strategies to adapt to the water contamination.

Indeed, these findings look at how rare earth mining in Pang Wa and Chihpwi, Kachin State, is affecting local people's lives and the environment. It shows that current rules are weak and enforcement is limited, so harmful mining continues and damages land, water, and forests. It clearly shows that much better environmental checks and much stronger protection measures are urgently needed for the community and its environment.

Key Findings

- Toxic mining waste has polluted streams and rivers, killing off fish and making the water unsafe for both people and animals.
- To deal with the water problems, local people have installed pipelines to bring clean water from the mountains, 5–10 miles away from the mining.
- Farming and herding are falling apart as crops fail and some farmland is destroyed by landslides.
- Local markets have collapsed because Chinese buyers refuse to buy products grown near the mines.
- Mining only offers short-term, low-wage jobs, and local workers earn two to four times less than Chinese workers for doing the same work.
- Drug use, gambling, family problems, and deaths from landslides and unsafe working conditions are all increasing.
- Local authorities mainly protect Chinese companies, and there is still a lack of transparency and accountability.

Policy Area	Recommendation
Local Governance	<ul style="list-style-type: none"> • KIO should immediately publish clear rules and policies, regarding mining operations. KIO leaders should build trust by sharing information and being visible in the community. • The KIO should start moving toward sustainable resource management in its current mining operations. • KIO should allocate a significant portion of mining revenue directly to local development, specifically for education, healthcare facilities, and transportation infrastructure. • Implement training programs for local communities to ensure rules are understood and enforced, coupled with strong anti-corruption measures.
Corporate Responsibility	<ul style="list-style-type: none"> • Chinese companies should pay local workers the same wages when they do the same jobs. • Companies must take full responsibility for any environmental harm they cause, including restoring mining sites, repairing roads, and cleaning up polluted areas.
International Engagement	<ul style="list-style-type: none"> • The United Nations should press China's rare earth industry to implement environmental quality standards and monitoring, and more consistent environmental protection across all stages of rare earth extraction and processing. • The World Trade Organization also should address the environmental and social harm caused by rare earth mining in Pang Wa and Chihpwi by ensuring that rare earth trade is regulated with WTO rules while also protecting the environment and respecting human rights.

Biography,

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