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THE ROLE OF CONFLICT SENSITIVITY FOR TEA BUSINESSES' RESILIENCE IN MYANMAR



A girl at the tea farm of Shwin Chang Lone Co. Ltd

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About this paper

Amidst the ongoing multi-crisis situation in Myanmar, sustaining development projects in a conventional manner has become increasingly difficult. However, implementing a conflict-sensitive approach to development projects during such challenging times has yielded positive outcomes for local business partners in the country. This paper aims to illustrate Helvetas' consistent application of conflict-sensitive strategies in Myanmar, showcasing selected case studies and examples of local businesses that have managed to stay afloat in spite of the fragile situation.

This case study aims to see how the Biotrade project in Myanmar is using conflict trainings and awareness to help its business partners, especially in the tea and Thanakha industries. It looks at how these businesses understand the potential harm they could cause in areas affected by conflict, and how this might affect their reputation and acceptance by the local communities. It also investigates the motivations of businesses to adopt conflict-sensitive practices that has the potential to attract and maintain external investors and clients, enhance safety and security and contribute to local economic development. Additionally, the study looks into how effective the conflict awareness training given to the project partners has been, and how ready they are to use and implement conflict-sensitive business practices, especially in the aftermath of the military coup and heightened violence across the country.

On January 10, 2024, the military junta of Myanmar brought the 2010 people's Military Service Law into force. Citizen men aged 18 to 35 and citizen women aged 18 to 27 are directed for compulsory military conscription. Since a major part of this case study had already been completed, the new development regarding the impact of the conscription law on partners in the tea and Thankaha sectors, who have undergone conflict sensitivity training, is described in Annex 1.

List of Abbreviations

SECO	Swiss State Secretariate of Economic Affairs
UNCTAD	United Nations Conference of Trade and Development
SCL Co.	Shwin Chang Lone Co. Ltd.
MTA	Myanmar Tea Producers Exporters Association

Executive Summary

In Myanmar, Helvetas prioritizes conflict sensitivity, tools and awareness in development programming. The focus of Helvetas in Myanmar is to enhance social cohesion and play a constructive role in the ongoing crisis situation by applying conflict sensitive approaches in various projects. One such project, Biotrade, has recognized the importance of integrating conflict sensitivity into its operations with business partners. Understanding the potential negative impact of business actions on conflict dynamics and community relations, partners in the tea and Thanakha sectors have embraced conflict-sensitive strategies since undergoing training in 2019. Specific experiences of partners like Shwin Chang Lone Co. Ltd., Shwe Pan Law Manufacturing Company Limited, Myanmar Tea Exporters Producers Association (MTA), Myanmar Thanakha Growers Producers Exporters Association, and Shwe Thonendray are highlighted in this case study.

Shwin Chang Lone Co. Ltd (SCL Co.), also known by its famous tea brand Mother's Love, has been participating in Helvetas conflict sensitivity training since before 2017 and the ongoing crises. The case study of SCL Co. is the main case study of this paper as it reflects how the company is able to improve its presence and build business using conflict sensitivity practices in Myanmar before the crisis and how it has adapted since the different crises were triggered. SCL Co. has managed to stay afloat in current circumstances in Myanmar mainly due to applying conflict sensitivity methods.

Other companies in the tea and Thanakha sectors have implemented conflict sensitive tools and practices in aspects of their business that they were able to influence, focusing mainly on peacebuilding and social harmony at the local level.

The illustrated case studies of Myanmar tea and Thanakha companies reflect following key messages on using conflict sensitivity tools, awareness and practices.

- Being aware of conflicts and dealing with them constructively is important as it helps to increase the company's acceptance and good reputation, which in turn, increases its productivity, as well as its contribution to sustainable local economic development.
- Even during violent conflicts, it is possible to apply key principles - Respect, Accountability, Fairness and Transparency through conflict sensitive behavior and practices.
- Businesses can significantly contribute to social cohesion and peaceful coexistence by promoting local economic development and stability.
- Businesses can also contribute to peace by staying engaged and provide jobs and income to the local population, as well as supporting education and youth employment to avoid youth getting unemployed and joining armed groups.
- Conflict sensitivity is not limited to "conflict areas" only but also is required in all development activities as "non-conflict areas" could be instrumental in building social cohesion and harmony through conflict sensitivity tools.

Overall, the case studies illustrated in this paper conclude that local businesses have better understandings of root causes, drivers and triggers of ongoing conflict and when they are capacitated with conflict sensitive training, they can play an instrumental role to prevent, minimize and mitigate negative impacts of the conflict on local business but also social dynamics. It is paramount that the international donor community continue to provide resources and tools for sustained conflict sensitivity capacity building and coaching in all donor supported programming in Myanmar.

Conflict Sensitivity in Myanmar

Background

The context of Myanmar has become more challenging since Covid-19, and the Coup on 1 February 2021.¹ It was already complex, requiring a conflict sensitive approach in all activities since Helvetas started its operations in Myanmar in 2012. The Helvetas program has grown, despite – and partly because of – the multi-faceted crises, not only, but especially with an increasing number of projects focusing on Humanitarian/Emergency Aid. Projects which earlier focused solely on development have integrated emergency aid into their activities or have combined development with humanitarian response and conflict transformation components in their project design.

Conflict sensitivity and conflict transformation became increasingly relevant for Helvetas in Myanmar amid increasingly fragile circumstances. Currently, Helvetas Myanmar is documenting its experiences with strengthening social cohesion and exploring more ways to meaningfully contribute to conflict transformation in the country, through its different projects.

Conflict sensitivity at Helvetas

Conflict sensitive project and programme management is one of Helvetas' core institutional approaches. Staff apply the approach set out in the Helvetas manual "3 Steps for Working in Fragile and Conflict-affected Situations". The three steps are i) understanding the context, ii) understanding the interaction between interventions and the context, iii) taking strategic decisions on how to adapt project management to avoid risks of doing harm and, where possible, to contribute to social cohesion. The approach is applied throughout the project or programme cycle with initial analyses and adaptation measures being regularly reviewed and updated. Staff and partners receive regular online and face-to-face training on how to apply the approach. Additional support is provided by conflict sensitivity experts based in the region and at head office.

When we work conflict sensitively, we are aware that our actions and behaviors have consequences. Therefore, we always analyze what we do and how we do it, not only at organisational and project level, but also as individuals, as staff or partners of the organisation².

The "what"

An organization's actions can have an impact on the context through bringing in resources from the outside and introducing them into a local context. Resources can be tangible, such as goods and money, or intangible, such as services, opportunities, and systemic improvements. The way in which resources are introduced can affect the context and lead to an increase or decrease in social tensions. Such unintended consequences are known as "resource transfers".

The "how"

Equally important as the introduction and distribution of resources, are the ways in which organizations, their staff and partners behave and how they are perceived. This includes being aware how our identity and attitudes shape our behaviour towards others, the way staff interact with each other, partners and other stakeholders and, most importantly, with local people. As through our behaviour we intentionally and unintentionally send messages to others about our intentions, values, and goals, as individuals and as the organization we work for, critically reflecting on our attitudes & potentially changing our behaviour accordingly is key to being conflict sensitive.

¹ References for conflict context in Myanmar : [ICG's reports](#), the [latest reports of the UN Special Rapporteur](#) (UN OHCHR), the latest [Reliefweb report](#), or the latest [USIP publications](#) (United States Institute of Peace) on Myanmar

² Helvetas publication: "[Doing No Harm & Doing More Good: Stories of Applying Conflict Sensitivity at Helvetas](#)".

The Regional Biotrade Project in Myanmar

The SECO-funded Regional Biotrade project covers Vietnam, Laos, Myanmar and Cambodia. The project promotes and puts in practice the UNCTAD Biotrade Principles³ by supporting value chains of agricultural products, like - for example in Myanmar - tea, Thanakha, spices, honey, jujube, and others. The project started in 2016 and is planned to conclude in August 2024.

Over the years, the project successfully supported businesses in improving the quality of their products, certifying their products according to international standards, and improving their access to international markets. However, the political situation in Myanmar has made it difficult for businesses to form and keep relationships with international investors, and has also hindered the global promotion and distribution of high-quality products of the businesses.

In 2017, the Rakhine crisis cast a damning light on the country, leading to both international investors and business clients being discouraged from engaging in Myanmar. Since its outbreak, Covid 19 has further exacerbated the challenges for businesses. Limited freedom of movement and the border closures have hindered productivity and the ability to export products in Myanmar. Moreover, since February 1, 2021, when the military seized power, the consequences for businesses have been dire: they have struggled with a lack of cash, reliable electricity, fuel, and, most of all, safety, and security.



Training focuses on conflict sensitivity for Biotrade partners in Tea and Thanakha sectors, acknowledging the potential negative impact of business actions on conflict dynamics.

Relevance of conflict sensitivity for Biotrade businesses in Myanmar

Given the challenging context, the Biotrade project integrated **conflict sensitivity as a key approach for their business partners**. The team realized that businesses, through their actions, could negatively impact the conflict context. This could affect the communities where businesses operate and increase the risk of being perceived as divisive and biased in conflict situations. Consequently, this could damage their reputation with the population, jeopardizing their acceptance and recognition by the community – both crucial factors for businesses to operate safely in a conflict context.

Moreover, businesses in Myanmar have been losing both international investors and clients, due to the negative reputation of the country's current leadership. They are highly motivated to rebuild or maintain relations with clients and international companies, prompting them to work on their reputation through local peacebuilding activities.

The main incentives for businesses to learn more about the conflict sensitivity were to attract and maintain external investors and clients through conflict-sensitive business practices, and to enhance their companies' safety and security, ultimately boosting their resilience in a fragile context.

³ Reference to Biotrade Principles: [BioTrade Principles and Criteria | UNCTAD](#) - Principle 1. Conservation of biodiversity, Principle 2. Sustainable use of biodiversity, Principle 3. Fair and equitable sharing of benefits derived from the use of biodiversity, Principle 4. Socio-economic sustainability (productive, financial and market management), Principle 5. Compliance with national and international legislation, Principle 6. Respect for the rights of actors involved in Biotrade activities, Principle 7. Clarity on right to use and access to natural resources (for more info, visit:



"Conflict sensitivity has always been highly relevant in Myanmar, due to the long conflict history and deep divisions in the society. After the coup, conflict sensitivity has become an indispensable approach for staying engaged!"
Saw Min Aung, Value Chain Advisor, Helvetas Myanmar

After the coup, businesses were even more interested and wished to get support to learn how to become more conflict-sensitive, as violence had spread across the country. Businesses started considering conflict sensitivity to be able to survive as a business in this context, and this way, also contribute to local economic development, despite the challenging context.

Conflict sensitivity training to Biotrade partners

At the beginning of 2019, the Biotrade team and some of the project's business partners from the tea and Thanakha sectors participated in a training on conflict sensitivity, in the frame of another Helvetas project. Some of the Biotrade participating businesses received their first introductions to conflict sensitive business management. At the end of 2019, some members of the **Myanmar Tea Association**, plus a few spice companies, were sensitized and trained in conflict sensitivity. In February 2020, training and coaching was delivered to two tea companies (**Shwin Chang Lone Co. Ltd. and Shwe Pan Law Manufacturing Company Limited**) who had an interest in deepening their conflict sensitivity and learning how businesses can contribute to local peacebuilding. Covid-19 moved these training and coaching sessions online. In November 2021, tailor-made coaching for the two companies

further helped them to improve their conflict sensitivity.

Conflict Analysis prior to the coup

When analyzing the conflict contexts in which the businesses operated and where and when conflict sensitivity would be relevant for businesses before the coup, the following types of conflict types were identified:

1. National level ethnic conflicts (mostly Rakhine crisis), leading to

- Risk aversion of international business partners: external businesses would not want to engage in Myanmar anymore.
- Reputation/Customer perceptions: international clients would not want to buy from Myanmar companies.

2. Local ethnic armed conflicts, leading to

- Limited mobility: transportation of products is not always possible, decline in quality due to slow, alternative transport routes, sometimes impossibility to keep working in an area, for example, in some areas of Northern Shan State, in spite of better tea quality due to agricultural conditions.

3. Local community conflicts, leading to

- Competition between ethnic groups (some tea farmers from one ethnic group felt disadvantaged when businesses bought from others).
- Challenges of being accepted and having good relations with all communities.
- Risk of internal issues between staff from different ethnic groups, e.g. in terms of positions, leading to a high awareness of companies on the need to balance procurement, staff selection, among other things.

4. Conflicts between different business actors (e.g. in production, between farmers and processors/companies) mostly around quality and prices, leading to

- Competition between ethnic groups, as conflicts were linked with ethnic belonging, worsening ethnic tension

All these conflicts presented risks that businesses could aggravate conflict, as well as opportunities for them to contribute to social cohesion and mitigate such conflicts.

Additionally, **Practical challenges businesses faced** in conflict zones were primarily, a) the collapse of the local economy, which led to inflation; b) the collapse of the banking system; and shortages or a total breakdown of electricity. Moreover, in many cases, c) the presence of different armed groups, and the delicacy of engaging with them to guarantee their safety; d) attacks on premises or lorries, and related to this, high risks when transporting products or money; e) displacement of staff, which led to a lack of workforce, were reported as the main challenges.

The main **risks that businesses might aggravate conflict** which were identified in this situation were, a) that local businesses would unintentionally increase local community conflicts through unbalanced business engagement with local community, e.g. focusing on tea leaf freshness leading to favoring a particular ethnic group (living closer to the factory), giving work opportunities to some, but not others, favoring certain ethnic groups due to belonging to the same, and speaking the language, etc.; b) through supporting local development through CSR (corporate social responsibility) activities, only benefitting one group; and c), by engaging with armed groups, supporting them, and thus, supporting war economies.

The businesses' main challenges, while trying to stay engaged were, apart from the economic and security challenges, included:

- **How to deal with conflicts to stay safely engaged:**
 - How to maintain relations with different powerholders? In many parts of the country, businesses must engage with 3-4 different armed actors.
 - How to position themselves in the context? Local businesses are part of the conflict context. Often, business leaders are not impartial. How to navigate the spectrum between partiality or impartiality? Business leaders in such contexts must be highly diplomatic, and extremely careful in what and how they communicate.
- **How to represent themselves and act in public space?**
 - Most businesses try to maintain a low profile in the context of conflict, to avoid being seen as supporting one or another conflict party. However, businesses reported to have been forced to represent their region at politically highly contested events.
 - Businesses risk to be instrumentalized by the warring parties to put themselves in a good light and improve their reputation.
- **How to avoid corruption?**
 - To stay engaged in their area, businesses are forced by most warring parties to pay taxes. They cannot avoid it completely, as otherwise they get threatened and forced to leave the area or risk to get killed.
 - How can businesses avoid contributing to war economies?

After the conflict sensitivity training, the Biotrade business partners in tea and Thanakha sector started to implement conflict sensitive awareness, approaches and practices in their day to day working of the business. Such training also contributed to reduction of personal stress and wellbeing despite the tense context. The next chapters illustrates particular experiences of - Shwin Chang Lone Co. Ltd., Shwe Pan Law Manufacturing Company Limited, Myanmar Tea Exporters Producers Association (MTA), Myanmar Thanakha Growers Producers Exporters Association of Myanmar and Shwe Thonendray.

How a family rendered its company conflict-sensitive: Experience of Shwin Chang Lone Co. Ltd.:

Greatest Challenges: Acceptance & Trust by Locals

Mother's Love is a famous tea brand manufactured by Shwin Chang Lone Co. Ltd. (SCL Co.) based in Tangyan Region of Northern Shan State in Myanmar. It is a family-run tea company, founded by the current owners' father, a tea trader, who started growing tea in 2001 in the frame of a regional development project to replace poppy plantations through tea plantations in the area. His six children, five daughters and one son, took over the family business after their father passed away in 2010. The company has been very successful in increasing their business and in supporting local economic development.



Farmers at Mother Love Tea Farm demonstrate skilled tea leaf plucking, ensuring top-quality harvest.

In the beginning, the young owners faced several challenges in getting accepted and respected by the local population. First, despite the family's roots in Northern Shan State, due to their Chinese descent the local population perceived them as foreigners. Second, as the new owners of the company were young women, they faced discrimination due to their age and gender. Their father's death came as a surprise to all, so he could not pave the way for a smooth transition of the company's leadership by introducing his children to the key stakeholders in the area and introducing them to his own strategies for creating healthy relationships with the local community. Therefore, when the young siblings took the family business over, they were confronted with mistrust and rejection by the local population. The young owners were not sure how to deal with this: They tried to solve all the problems that arose but did not consider the underlying root causes of people's reactions. It was often frustrating for them to be perceived negatively, despite the opportunities their business offered to the locals and the support they provided for the community, for example through corporate social responsibility (CSR) activities.

Conflict Sensitivity Training & Impact on Shwin Chang Lone (SCL Co.) Work

In early 2019, one of the Directors of SCL Co. participated in a training on conflict sensitivity delivered by Helvetas and a local partner organization. She analyzed her company's situation with a group of participants at the workshop, using practical conflict analysis tools, analyzing the interactions between her company's activities and the local conflict context, and finally identifying steps to increase the company's positive impact on the local conflict context and minimize its negative impact. This analysis, which included external perspectives of fellow participants in the training,



"We need to show the population that we are not different, because we are comparably 'rich', but we are humans, like them." Myint Myint Shwe Co-Director, SCL Co..

revealed some causes of the conflicts between her company and some locals and served as an eye-opener for her.

Moreover, it sharpened her understanding about the impacts her company can have through its operations in a context and vice versa. The main lessons she shared with her family after the workshop were:

- Being aware of conflicts and dealing with them constructively is important as it helps to increase the company's acceptance and good reputation, which increases its productivity, as well as its contribution to sustainable local economic development.
- Increased acceptance and a good reputation of the company and family create more safety and security for their family, company and staff.
- More active engagement with the local communities is essential to create positive relations with the locals.
- The company needs more consultation and exchange with community representatives to conduct meaningful CSR activities, which respond to the real needs of the population and the most vulnerable are reached.
- More representation of the diversity of the local population in the company is needed, to build better relationships with and between different local communities.
- Considering different perspectives in a conflict is key. We always need to reflect whether our perceptions are biased or not and analyze a conflict from different angles, to better understand the other side and look for constructive solutions.



"During celebrations held at the factory compound, the company supports the voluntary entertainment events in the form of ethnic group dances by youth employees. We love this as it encourages the intercultural harmony and friendliness among different ethnic backgrounds" Mr. Kyaw Myo Nain, Factory Assistant Manager, SCL Co..



"Mother's Love is my first choice as an employer: I appreciate the way they don't only work for themselves, but for the community. Tea farmers benefit from training, sometimes they give away seedlings to young tea farmers, etc. Through Mother's Love, not only individual farmers benefit, but also their families and the whole community." ,Mr.Sai Hla Khin Tea Farmer, working for SCL Co..

What Mother's Love changed – and what it changed for them and the community

Based on these lessons, the company started to implement changes rapidly, and already saw some first results after a few months, while other adaptations took more time or were developed and implemented later.

Land conflicts: After the death of their father, the family received several complaints from farmers, claiming parts of the company's land. According to the family, although the state had proposed to provide the land to their father for free, their father, when starting the tea business, insisted to buy the land from the farmers who had previously worked on it. However, some farmers claimed they had not been compensated. This caused conflicts with some locals. After the training, Mother's Love decided to investigate all cases again, one by one, and through clarifying each case, they realized that some farmers had been trying to cheat them hoping they'd receive double compensation. Others, however, had substantial reasons for their claims, and the

company therefore returned some land to some farmers. To negotiate these solutions, the

company relied on mediators from local ethnic groups, mostly local mayors, to negotiate between them and the farmers.

Corporate Social Responsibility (CSR): Instead of rather spontaneous, uncoordinated support to poor people in the villages, the company adopted a more strategic and locally consulted approach to their CSR activities. For example, instead of giving food or clothing donations to poor families, they would start teaching people to plant tea, give them discounts for seedlings or help them to produce fruits and ensure their access to the market to sell them. Thus, they opted for investing in people's knowledge and skills. Moreover, when they donated for local projects, they did it on request and after consultation with local stakeholders. For example, they financially supported the local pagoda with a famous monk's statue and supported the pagoda garden with plants. These interactions with the locals and the tailored support increased the family's and the company's acceptance and respect in the community, as people recognized the family cared for them.

Internal policies: The leadership of Mother's Love recognized the importance of their staff becoming more diverse, to represent the diversity of the region's population. Nowadays, Mother's Love employs staff with a wide range of ethnic backgrounds and has staff speaking all local languages. Moreover, the company respects all religious holidays and celebrates many of them with their staff. Through this change, they built more rapport with the local population and ensured better communication and collaboration with all ethnic groups living in the area.

Active community engagement: Through participating in religious ceremonies or cultural festivals and organizing tea events in their factory garden, the company shared their products with the locals and promoted the richness of the diversity of their cultural heritage, as well as tea as a product that connects local people with different backgrounds. This way, they were able to start promoting social cohesion in their surrounding communities.

Lowering local community conflict: The two main ethnic groups present in the area are the Shan and the Palaung. Most villages around Mother's Love's factory are mainly populated by Shan farmers. The company, however, also works with Palaung farmers, who traditionally live in the more mountainous parts of the area. The quality of the tea leaves is said to be particularly high in those mountainous areas, however, transport routes have been of bad quality. Therefore, the freshness and quality of the leaves Palaung farmers brought to the factory was comprised. When the company paid those Palaung farmers less for their leaves than to Shan farmers from neighboring villages, the Palaung farmers felt discriminated and linked the price difference to their ethnic provenance. To avoid these types of conflicts which were frequent, the company decided to ensure the farmers would be able to bring the tea leaves as fresh as possible, for higher quality and better prices. Hence, Mother's Love invested in constructing collection centers in the harder to reach areas, and improved the roads, so that the tea could be transported more easily and could be processed freshly and at best quality. At those collection centers, the company also organized trainings for tea producers, enabling everyone to provide the best possible quality and get the highest price. These trainings were also an opportunity for representatives of the different ethnic groups to come together to learn and exchange - and gave them the opportunity to build relationships across ethnic boundaries.



"We did these types of things more and more since we signed a contract with Helvetas. Before, we were doing a bit of these things, but now much more, with you. Helvetas is the first NGO we work with and we have learned a lot about how to do things." Director, SCL Co...

The company's owners kept reporting to the Biotrade project team about these positive developments. They were amazed how relatively small changes could have such positive impacts and underlined how relevant conflict sensitivity has become for their business's success and how much it helped to improve their relationship with all local stakeholders, as well as with their employees and all local business partners.

How conflict sensitivity helped the company to stay engaged during the double crisis from 2020

Covid had a significant impact across Myanmar. Most families in the country lost at least one family member due to Covid-19, as the health infrastructure was not ready for the crisis. Covid-19 presented seemingly unsurmountable challenges to tea businesses in Myanmar, as people were unable to travel due to lockdowns, which led on one hand to the slow-down of the factory's activities, as tea pluckers and factory employees could not come to work. On the other hand, all business events like trade fairs or conferences where the companies would promote their products and build relations with national and international investors and clients were cancelled.

On top of that, with , the military taking over in 2021, companies faced increased violent conflict, international sanctions which were leading to frequent power cuts, the collapse of the banking system, as well as a very insecure work environment, due to the presence of more armed groups, with whom they had to learn to negotiate their safety and security.

Concretely, these changes had the following consequences for Mother's Love:

Financial consequences:

- The company had no cash to pay for the fresh leaves which farmers brought to the collection centers. This led to a leaf purchase stop for about 2 months in 2021, which left the farmers without income and the company without production.
- The cash that at times was available could not be safely transmitted through banks and could also not be safely transported by road, due to the numerous checkpoints imposed by both - the military and ethnic-armed groups. Many times such checks would result in confiscation of money, henceforth, to avoid such incidents, many companies started to transport money in small amounts in innovative ways.
- In the situations of internal conflicts and military coup, it is often the case that administrative functions in the region are taken over by ethnic armed groups exercising control over a territory. This was also the case in Myanmar.
- Before the coup, as a minimum engagement, the company was forced to pay indirect tax in the name of donation, which – after the coup, changed dramatically, and the company was forced to pay indirect tax i.e. donation, to three different ethnic groups who had contesting control of the local territory.
- During this time, the company also recognized that differing armed groups had differing donation (tax) policies. Keeping all engagements with the ethnic armed groups to the basic minimum and absolute necessity criteria, as well as continuation of Corporate Social



Palaung farmers access better infrastructure and training at collection centers, enhancing tea quality and promoting inter-ethnic cooperation.

Responsibility (CSR) initiatives in the local context, provided them an extra edge to address conflict-related challenges for survival of their business activities.

- Even within the minimum engagement with the ethnic armed groups, the company was able to negotiate a, reduction of taxes and security guarantees due to the company's investment in the CSR initiatives towards local population.
- As the larger consequence of the conflict, pre-negotiated international trade policies, business deals were cancelled. New deals could not be negotiated due to the political uncertainty and heightened risks for international companies.
- When conflicts between parties intensify, demand for essential goods rises, leading to increased costs. This is often worsened by road closures and supply delays. To address this, the company decided to store basic supplies like rice, oil, and fuel. This investment ensures smooth plantation operations for at least three to six months into 2023.



"Our business partners have been facing tremendous challenges during Covid and the Coup when trying to continue their business. They were taking risks and succeeded to stay engaged, looking for creative solutions and using the knowledge gained through our conflict sensitivity support. It is rewarding to see how they adapted their activities and policies to increase their security and to continue providing jobs to the local population." Zaw Min Oo, Project Manager Regional Biotrade, Helvetas Myanmar.

Labour shortage:

- Due to Covid-19, as mentioned above, no work was allowed outside of the private property of the company. So, the family was only able to continue working in the factory's tea garden.
- Even after Covid-19, many farmers would not be able to return to work due to high safety risks caused by the armed conflict.

Sales /revenue drop:

- Due to travel and distribution restrictions, products could not be delivered both to national and international clients, and people could not represent their companies at trade fairs, which led to huge drops in sales and therefore revenue in 2022, the first year after the military took over.

During the situation of double crisis (Covid 19 and military take over), the SCL Co. Company managed to continue with its business by employing conflict sensitivity methods and tools. Some measures the company implemented to respond to these challenges were:

First and foremost, the family had to learn to manage their fear and communicate calmly, and in a connecting manner, with whoever they would meet. They realized that treating all visitors as human beings – regardless of their political affiliations, offering tea and talking to them in a friendly manner, helped a lot to protect them.

Regarding the taxes, the company realized in the second year of the coup (2022) that they could negotiate the amount of taxes with the ethnic groups and could request receipts, to ensure that a) they would not have to pay multiple times, and b) to request a certain "legal use" of the money they were paying, for example, for local economic development or social services, instead of war-related purposes. This way, they now try to avoid in whatever possible way to pay money directly to the ethnic armed groups and instead offer support to the communities they represent.

As the company was forced to leave one of their plantation areas because of a serious threat by one of the Ethnic Armed Groups (pointing their guns at them), and the company had to abandon one of their collection centers and some of the farmers they used to work with, the company



"Myanmar is divided since the coup. Some people support the opposition, others the regime. I focus on developing my region. I constantly adapt the business portfolio to the current circumstances to be able to survive and to continue to do business to contribute to local development. If we do not love some stakeholders, we still need to engage with them. We need to feed our families." Thein Htwe, Director, SCL Co..

adopted more flexible modalities to avoid loss of investments due to the presence of armed groups and potential displacement of their workforce. For example, they started renting places for setting up new collection centers instead of building them or purchasing the premises.

Under those dire circumstances, planning became very difficult for - SCL Co., one of the company's Directors pointed out: "Yearly plans turn into monthly plans and still need a lot of adaptations, on a weekly or daily basis or in the very moment. Remote managing of the business became impossible. So I was always on the spot, in the factory and on the production sites."

The situation also had some unexpected positive effects: the fact that the family spent most of the time jointly on-site with the remaining staff (after the end of the lockdown), they were able to use this "low-time" for innovation, testing and developing new products and spending more time to communicate with the tea farmers. This led to the development of improved internal processes and further

organizational development, as well as the development of new or better value chains. Externally, their presence on-site with the farmers helped them understand their living conditions and needs much better and gave them the opportunity to invest in their training. Many young tea farmers are now equipped to start their own tea business. Last, but not least, for some of their tea products which can be stored for a long time, for example Black Tea (Ancient Tree Tea), due to the limited financial flow, its value has become higher. Therefore, the products remain valuable and can be sold at a higher price in the future.

During the situation of double crisis (Covid 19 and military coup), the SCL Co. managed to continue with its business by employing conflict sensitivity methods and tools.

Highlights from SCL Co.'s business approach to Conflict Sensitivity Management

Respect, Accountability, Fairness and Transparency are key principles of conflict sensitive behaviour⁴. These are reflected by:

- SCL Co. and its Directors could apply the conflict sensitivity in "How" the company and staff behaved and how they were perceived during the double crisis of Covid 19 and the military coup of 2021. Their interaction of treating all visitors equally by offering them tea regardless of their political affiliation, provided company staff with safety and also reflected **respect** and **fairness** principles employed by the company and its staff.
- SCL Co. could delicately navigate the armed ethnic group's demands for "taxes" by negotiating the amount and also asking for "receipts" that taxes were being used for local economic development and social services. Such action again reflected employing principles of **accountability** and **transparency** of conflict sensitive methods that dealt with diversion of resources from war-related purposes to common good.
- When the SCL Co. was forced to leave one of their plantation areas by the ethnic armed groups, the "no engagement" or "**minimum engagement**" conflict sensitive approach helped the company advance their business by investing more time and resources into innovation, testing and developing new products for the company.

⁴ Helvetas publication: ["Doing No Harm & Doing More Good: Stories of Applying Conflict Sensitivity at Helvetas"](#)

Contributing to social cohesion – Experiences of Biotrade partners

During the process of sensitizing Biotrade businesses in Myanmar on conflict sensitivity and supporting some of them in rendering their companies more conflict sensitive, Helvetas also reflected with some businesses on the potential of businesses to contribute to social cohesion and peaceful co-existence at the local level. Throughout this time, some initiatives were launched by the businesses themselves, others in collaboration with other Helvetas projects, which focused on the promotion of social cohesion through arts and culture and were interested in integrating local cultural heritage in their activities, thereby reaching out to some of the Biotrade businesses to collaborate.

The primary motivation for business partners' to engage in local peacebuilding was to enhance their international reputation, which had negatively impacted by the perception of Myanmar following the Rakhine crisis. They were keen on demonstrating their commitment to social responsibility and showcasing their efforts globally. Additionally, they aimed to bolster their reputation at the local level by fostering connections among diverse communities, thereby improving acceptance, security, and resilience, especially in prolonged crises.

Promoting social cohesion through maintaining business operations to maintain people's livelihoods.

Businesses can significantly contribute to social cohesion and peaceful coexistence by promoting local economic development and stability.

First and foremost, businesses have a high interest to stay engaged despite the challenging circumstances and thereby contributing to local economic development and economic stability – especially those businesses that are strongly rooted in the area. Increasing people's access to decent jobs through education and creating employment opportunities is a key factor, particularly for young people to earn their living legally, securely, and peacefully: If there are no jobs, particularly young people, for lack of better options, would either join armed groups or migrate. This has drastic negative consequences in a conflict context.

One Biotrade tea partner company has gone through a particularly difficult situation, but never considered giving up.

Shwe Pan Law Manufacturing Company Limited: A Company between the Frontlines, trying to contribute to peace

Shwe Pan Law Manufacturing Company Limited (Shwe Pan Law) is a tea company, based in Namhsan Township, Northern Shan State. The company is a family-run business and was founded in 2010. The family has been engaged in the tea business for generations over more than 50 years and belongs to the Ta'ang (Palaung in Burmese language) ethnicity. The company used to be very proud of being a purely Ta'ang company and has been supporting the Ta'ang communities through their business in many ways⁵ - by showcasing proudly their cultural heritage and their region's tea quality and tradition.

Shwe Pan Law was exposed to several violent attacks, not only after the Coup, but also before. For example, in 2016, a bomb exploded in front of their factory as a result of being in the crossfire of ongoing violence in the region. In 2020, a shot was fired on one of the lorries of the company as the company driver refused to pay a bribe at the check point guarded by one of the conflict parties.

⁵ Please find more information on the background and current work of the company on its [website](#).



During the conflict sensitivity training and coaching sessions, the company started questioning their homogenous nature, which they believed had been one of the main reasons for their insecurity. Through the reflections during the workshop and coaching sessions, the company changed their mindset and started diversifying their workforce, for broader local acceptance and thus, increasing their company's and staff's safety and security.

Namhsan is a strategically important township for all armed groups, because it is located at an important junction from which roads lead to the South and East of Myanmar, as well as to China and Thailand. Therefore, armed groups pass through Namhsan frequently when they move around in Northern Shan State. This has

become a huge challenge for the company, as the town has also been targeted by airstrikes, most recently, in December 2022. Shwe Pan Law has therefore been exposed to extremely high and repeated risks.

After the military coup, the situation in Northern Shan state first remained relatively calm. It appeared that there existed an agreement amongst the conflict parties not to enter Shan state. The region believed they would be spared from the war this time. However, a few months later, fighting broke out amongst the different conflict groups, resulting in increased violence in the state. The situation remains unpredictable until today, which is why it is extremely difficult for businesses to stay engaged and keep working in this area. Even more so, when the business depends on access to land and needs to ensure the safety of their workers, as it is the case for tea companies, who depend on tea pluckers.

The company tried to stay engaged in many ways and started businesses in other sectors when it became too dangerous to work on the tea plantations, to provide the local population with job opportunities and continue contributing to local economic development, in the midst of conflict. The company's owners tried to position it as a neutral actor in the conflict, aiming at supporting local people's livelihoods under the difficult circumstances. The fact that it had already changed its strategy of employing only Ta'ang, to employing people with different ethnic backgrounds, and speaking different ethnic languages, particularly Palaung, helped them to more legitimately be able to position themselves like that.

Even though, being inclusive benefitted the company initially to show its neutrality to the conflict, at times it also backfired. For example, if any member of the family were seen at public events due to "forced collaboration" backed by certain armed groups, they would invite repercussions from opposing armed groups. To avoid taking sides and to be perceived as neutral as possible, company members tried to negotiate safety guarantees with all armed actors present, paying taxes etc. However, trying to work with all sides put the family and the company under high risk, particularly, as the context started to change rapidly due to rapidly changing equations between different armed groups.

Under these difficult circumstances, **Shwe Pan Law's contribution to peace has been on one hand to stay engaged and provide jobs and income to the local population. On the other hand, it focused on supporting education and youth employment to avoid youth getting**

unemployed and joining armed groups, for lack of better options. The company also informs young people about the consequences of drug use, as armed groups often attract young people through drugs and drugs are also used for troops during fighting. However, many young people, particularly men, have left the area, as all sides of the conflict have been recruiting young people by force. Thus, forced displacement has become a huge issue in the area. (Myanmar is the 2nd largest opium producer in the world and opium is produced in Shan State).

Highlights from Shwe Pan Law's experience on Conflict Sensitivity Management

- Through the conflict sensitivity training Shwe Pan Law started to **question their homogenous nature** which became main security issue during the conflict. During and after the training, the company changed their mindset and started **diversifying their workforce**, for broader local acceptance and thus, increasing their company's and staff's safety and security.
- The company's owners tried to position it as a **neutral actor** in the conflict, aiming at supporting local people's livelihoods under the difficult circumstances.
- **Not all conflict sensitive practices yield positive results.** For example - to avoid taking sides and to be perceived as neutral as possible, company members tried to negotiate safety guarantees with all armed actors present, paying taxes etc. However, trying to work with all sides put the family and the company under high risk, particularly, as the context started to change rapidly due to rapidly changing equations between different armed groups.

The importance of internal business policies for credible local peacebuilding

Conflict-sensitive business practice means first and foremost, to ensure that a company's institutional policies and processes are conflict-sensitive. There is a lot of guidance on businesses and human rights, which we compared with our conflict sensitivity approach. Many parallels appeared, for example, regarding Human Resources management: inclusive and equitable access to employment through fair and transparent recruitment processes, equal social benefits and opportunities for employees, non-discrimination policies in all areas of business, etc. are key.

Another part of internal conflict-sensitive practices which create more social cohesion is the respect and promotion of human rights through a company's vision, mission, and daily practice: internal good governance can include, for example, promoting human rights, gender and social equity, banning child labour, as well as creating inclusive and participatory internal decision-making processes.

Businesses can create more inter-group ties, through creating internal opportunities for representatives of different groups to change their perceptions of the others, for example, through facilitated social & cultural activities creating connection between employees with different backgrounds. If people experience fair and just treatment, they are likely to adopt such values and practices themselves. Businesses can raise their employees' awareness on such matters at team events, in meetings and through other platforms, and encourage their staff to adopt such practices in their private life. Peace starts with every individual, and if many individuals can experience the sense of safety being treated fairly and justly affords, they will wish to share their experience with others, which can lead to more people acting and living more peacefully. The SCL Co. first worked on their conflict sensitivity and is now exploring how to contribute more to local peacebuilding.

Engaging with local communities to promote social cohesion

Externally, conflict-sensitive businesses are aware of the conflict issues and dynamics in the context where they are operating, ensuring their work does not intensify tension but rather alleviate it. This can be achieved, for example, through creating opportunities for different groups to meet through the business, minimize their prejudice against others, and build more mutual understanding, which leads to more friendly ties between different groups.

Businesses can also organize social activities for this purpose, as part of their corporate social responsibility engagement, to create connecting experiences, raise awareness on the similarities as well as the diversity of perceptions, living conditions, as well as heritage etc. Thus, they enhance acceptance, mutual understanding and through that, promote pluralism and support social cohesion.

Myanmar Tea Producers Exporters Association (MTA)

The Regional Biotrade Project in Myanmar trained around 25-30 representatives of tea companies, members of the Myanmar Tea Association (MTA), in conflict sensitivity and its relevance for businesses in Myanmar in 2019. After that, **the tea association launched several activities not only for promoting conflict-sensitive business practices, but also to promote social cohesion through tea**, which the association considers a product which connects all people living in Myanmar. The association organised tea festivals, where people with different backgrounds were invited to exchange and share their different tea traditions, recipes, and practices. Currently, it is elaborating a concept for a documentary movie named “The power of Laphet”. Laphet is the traditional tea leaf salad, which is unique to Myanmar and is consumed by all ethnic groups in all regions and states of the country. The documentary movie project will allow the MTA to further investigate the potential of tea and laphet as products which build bridges between people with different backgrounds and experiences in Myanmar, as well as provide a platform for promoting this connecting nature of tea.



“Our business partners, particularly the Myanmar Tea producers Exporters Association (MTA) are showing high interest in conflict sensitive business practices, as well as their potential to promote peace on the local level. There is still a lot of work to do, but we are convinced that this process will have very positive results which will increase the sustainable development of the sector in a highly fragile and conflict-affected context.” Nan Su San, Market Systems Development Advisor Biotrade, Helvetas Myanmar.

The examples of the **Myanmar Tea Association** and the Thanakha company **Shwe Thonendray** (shared below), illustrate how such activities can look and the tea and Thanakha sector will most likely further develop and test other local social cohesion building events in the near future. Currently, businesses experiment with implementing arts & culture projects to promote social cohesion in the frame of a vocational skills development project of Helvetas in Myanmar.

While the main focus of this study is on conflict-sensitive tea businesses in Myanmar, there is another sector which has taken up the idea of using its main product as a bridge builder and a means to promote and create social cohesion between the diverse people in Myanmar: The Thanakha sector.

Thanakha Growers Producers Exporters Association of Myanmar

The Thanakha tree's stem and branches are used in Myanmar as a traditional, natural cosmetic, as well as for medical use: as sun protection, against acne, and for anti-aging. Thanakha is used across ethnic and religious divides, among all people living in the country. Therefore, Thanakha was identified by another Helvetas project, the "Open History" project as a cultural heritage **product which creates connection between all people of Myanmar**. This project first launched a Thanakha festival, where Thanakha art, a Thanakha make-up contest and other events were taking place and people from different ethnic and religious backgrounds joined to enjoy the festival. The Thanakha Association later replicated these festivals on various occasions in different parts of the country.



Young generation participants engage in the lively Thanakha Festival at Kyaik Taw Gyi Pagoda, Mandalay, fostering cultural unity through colorful events and contests.

Promoting human rights and peace as core values in engagement with local stakeholders

Businesspeople who want to stay engaged in conflict contexts must develop a great deal of diplomatic competences, becoming negotiators and mediators, in order to be able to survive and continue their business in a conflict-affected context, where they have to carefully navigate their relationships with all involved stakeholders, including conflict parties.

Impartiality is key, as is the capacity to convince all conflict parties that their focus on local economic development, while respecting human rights and international business standards such as the UN Global Compact, is a benefit for the whole local population, no matter on which side they are in the conflict. As part of this impartial engagement, they need to insist to the extent possible not to support armed groups and commit to non-violence so as not to be drawn into the conflict.

This becomes particularly difficult for businesses in contexts where they clearly take sides, even in such cases, no matter what side a business would identify with, in any case, non-violence, the respect of human rights and striving for social justice must be the core values for any business engaging in conflict contexts.

The Myanmar Tea Association mediated between producers and companies to have mutually agreeable prices for tea leaves, providing clear quality criteria, and thus contributed to peaceful co-existence between tea farmers, through increasing social equity in its tea clusters. Social equity is a key pillar of peacebuilding. Without respecting such core values, peacebuilders are not credible. There is, however, an important downside to this: Businesses positioning themselves as human rights or peace advocates risk to become targets in a conflict context, as they have an important role as advocates in their societies: they can influence local stakeholders to follow suit and promote peace and human rights with them, leading by example. This, however, is not in everybody's interest in conflicts, and therefore, businesses must adapt their communication and behavior to the context in which they work and plan their advocacy in a conflict-sensitive and risk-aware manner.

Local peacebuilding campaigns and fundraising through marketing and communication.

Businesses can promote peace through marketing and communication. Products can be designed to promote peace, and to convey messages to clients, while at the same time, be used to raise funds for local peacebuilding activities. An example of this is Conflict Food⁶, a German company, which deliberately sources its products from businesses operating in conflict contexts, sharing the businesses stories, and raising awareness on how those local businesses contribute to peace by staying engaged and sometimes doing activities beyond their usual business to promote peace, through several ways, as described in this chapter.

One Thanakha partner of the Biotrade project launched a peace product, too. Their experience is described below –

Thanakha for Peace: the case of Shwe Thonendray



The Director of the Thanakha company Shwe Thonendray got so inspired during the conflict sensitivity training that he launched a product called - "Peace Thanakha" - some months later. He put in practice one of the ideas which came up during the workshop, while brainstorming about what businesses could do beyond being conflict-sensitive, to promote peace: Selling a product with a slightly higher price and contributing to local peacebuilding initiatives with the additional funds raised.

However, in spite of Helvetas' advice to support local peacebuilding – he decided to donate the funds as a contribution to the national peacebuilding process. Soon, he realized that this was not

⁶ For more information, please visit: [Conflictfood handelt. Ehrlich, fair und direkt.](http://Conflictfood.handelt.Ehrlich.fair.und.direkt)

a very meaningful contribution to peace, because, first, the process had not been designed in an inclusive and participatory manner, but actually excluded some parties in conflict. Besides, there had been a stalemate for a long time, and people did not support it because they had no trust in the government who was leading the process. As a result, his contribution would be too little to make a real difference. Therefore, after a first trial phase, he decided to redirect the funds raised and use them for a collective, local peacebuilding initiative he designed with other local actors: A collective tree planting project, where people from different ethnic and religious backgrounds living in the Dry Zone, where Thanakha trees are mainly cultivated in this campaign, the Thanakha trees were cultivated in their natural habitat of Shin-ma-taung Hill and the natural Forest protection area, overseen by the Ministry of the Forest Department. Members of the Myanmar Thanakha Association carefully selected sustainable locations with accessible water sources for the plants. To guarantee long-term sustainability, it was essential for the local community to collectively shoulder the responsibility for maintaining the planted trees. This included tasks such as regular watering, protection from pests, and monitoring the overall health of the trees.

From a conflict sensitive perspective, this project had a positive impact on social, environmental, and economic aspects. The tree planting united people from diverse backgrounds, fostering social cohesion, understanding, and diminishing prejudices. In the Dry Zone, the initiative contributed to environmental sustainability and enriched biodiversity through the cultivation of Thanakha trees. Furthermore, there is potential to combine synergies of the local community, stakeholders, and private sector with economic benefits, especially through employment and income generation, particularly if the harvested Thanakha finds use in local products.

The project also focused on cultivating the Thanakha Plant with a purpose beyond monetary gain. As a result, the trees continue to foster natural regeneration and promote the rehabilitation of Shin-ma-Taung Hill. This approach underscores a commitment to respecting biodiversity and conserving native species. Moreover, it actively raises awareness among consumers, contributing to a positive international buyer perception. Thanakha, in this context, symbolizes the unity of the local community and the interconnectedness of value chain actors, including companies, traders, distributors, producers and consumers. The three impacts of Thanakha for peace thus encompass environmental conservation, positive consumer awareness, and the promotion of community unity within the value chain.



Diverse communities collaborate in a tree planting project in the Dry Zone, cultivating Thanakha trees for sustainable growth and environmental protection at natural habitat of Shin-ma-taung Hill and the natural Forest protection area.

A Call for Action

The above case studies of tea and Thanakha sector companies in Myanmar reflect that it is possible to continue business operations and also navigate towards profitable business practices in conflict and multiple crises situations (such as in Myanmar) by employing the conflict sensitive approach.

Local businesses have better understandings of root causes, drivers and triggers of ongoing conflict and when they are capacitated with conflict sensitive training, they can play an instrumental role to prevent, minimize and mitigate negative impacts of the conflict on business dynamics.

Even though local businesses have very little influence over external/larger conflicts, they still have influence on local level conflicts which can be leveraged by international business partners to stay invested in countries that are going through conflict and other crises.

The international community and donors engaged in Myanmar are called upon to consider that the local businesses have access to tools and sustained resources in conflict sensitivity training, awareness and practices. Development and humanitarian actors need to include conflict sensitivity training not only for programs in conflict areas but also in areas that are “non-conflicts”.

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Thanakha Growers Producers Exporters Association of Myanmar

Shwe Thonendray

Annex 1

Impact of the conscription law on partners in the tea and Thanakha sectors

On January 10, 2024, the military junta of Myanmar implemented the 2010 People's Military Service Law, enforcing compulsory military conscription for male citizens aged 18 to 35 and female citizens aged 18 to 27. Such a law has direct impact on labour force in Myanmar. The companies in the tea and Thanakha sectors, which have received training in conflict sensitivity, have been learning to adapt to the new challenge posed by the conscription law on their businesses. Below, their experiences are described.

1. Shwin Chang Lone Company Limited (SCL Co.)

For SCL Co., the labor force situation posed considerable challenges even before the enforcement of the conscription law. The depreciation of the Myanmar Kyat prompted many young individuals to seek opportunities in neighboring countries. Recognizing this trend, SCL Co. implemented measures to retain local talent by increasing the salary range for its employees.

However, the introduction of the conscription law by the military regime marked a critical shift in their operational landscape. The law mandated that all youth workers aged between 18 and 35 leave their employment to serve in the military. Fearing forced conscription, many sought refuge in neighboring countries, either legally or illegally. As a result, SCL Co. experienced a significant loss of manpower, with 40 workers departing from their manufacturing, farming sites, and marketing teams.

This sudden reduction in the workforce presented immediate challenges, particularly concerning SCL Co.'s production capacity and supply chain management. One of the most pressing issues faced by SCL Co. was the scarcity of labor for tea plucking, a vital component of their operations. With fewer workers available, they encountered difficulties in maintaining the tea leaf collection process, especially in areas with prevalent security concerns. In fact, the security situation became so precarious that four of their collection centers became increasingly inaccessible, further exacerbating their operational hurdles.

To mitigate the impact of these challenges and ensure the continuity of business operations, SCL CO. Co. implemented tools and practices from conflict sensitivity training, as described below:

- SCL Co. initiated a strategic reassessment of their business model to devise a new approach aimed at enhancing their business resilience. Under the new approach, they focused on items with lower product requirements, **optimizing their resources** effectively.
- SCL Co. scaled back on wholesale orders and **aligned their production volumes** with diminished workforce capacity and prevailing market conditions characterized by declining prices.
- As part of their adaptation strategy, they capitalized on opportunities in the premium market segment by promoting their premium Mini Tea Bags. By **emphasizing quality over quantity**, SCL Co. aimed to leverage their brand reputation and capture a niche market audience willing to pay a premium for superior tea products.
- Coincidentally, SCL Co. committed to maintaining their existing outlet shops, recognizing their value not only as revenue-generating channels but also as crucial platforms for **enhancing their brand visibility** and engagement with consumers.

In summary, while the implementation of the conscription law has posed significant challenges to SCL Co.'s business operations, they remain resilient and proactive in their response by employing

conflict-sensitive practices. Through strategic adjustments and a steadfast commitment to quality and branding, they are confident in their ability to navigate through these difficult times and emerge stronger in the face of adversity.

2. Shwe Pan Law Company Limited (Shwe Pan)

Shwe Pan operates in the Northern Shan Administration Zone, which is currently experiencing a ceasefire between the ruling military and ethnic armed groups. Following the ceasefire, business activities have resumed to a state of normalcy in the region. Since the military does not exert control over the area, the impact of the new conscription law is minimal on the company's operations. To circumvent conscription, Shwe Pan's manufacturing site has been recruiting workers from lower Myanmar, ensuring a secure environment for its employees. Additionally, two marketing staff members are relocating to work in Thailand, thereby mitigating the impact of conscription laws on their operations.

Despite challenges, the domestic market continues to thrive for Shwe Pan. The company's sales have surged due to changes in the tea market over the past decade. Previously, tea wholesalers imported tea at very low prices from China. However, with border trade restrictions and higher import prices, Shwe Pan's locally produced tea has emerged as a more viable option in the market. Nevertheless, exporting to international markets has become challenging due to the trade policies of the military government. Moving forward, Shwe Pan will prioritize domestic sales.

3. Shwe Thone Dray Company Limited (Thanakha Product)

Amid the current conflict situation driven by conscription laws and the inflation of Myanmar's currency, Shwe Thone is experiencing business impacts and seeking solutions to ensure business resilience. Most of the Shwe Thone's staff consists of women, who are currently not the target group of conscription law. The company has two male staff members within the conscription age range, who qualify for exemption due to their responsibilities in caring for elderly parents.

Shwe Thone's marketing efforts in promoting Thanakha for peace products is facing challenges due to the military regime's lack of acceptance of this concept. There is doubt from the military regarding company's intentions.

Nevertheless, Shwe Thone continues to purchase Thanakha raw materials from farmers involved in the Biotrade project, supporting them with safety equipment and COVID-19 health precautions. Additionally, Shwe Thone maintains their business through original equipment manufacturing (OEM) production for imported cosmetic companies, as the high prices of exported cosmetics make them unaffordable for consumers. Shwe Thone is now collaborating with these cosmetic companies to provide similar quality products for the domestic market.

Despite these challenges, Shwe Thone remains resilient, prioritizing the retention of experienced staff members.