

Redressing Transboundary Environmental Injustice at the Dawei Special Economic Zone and Road-link Project



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Presentation Structure

- Introduction to Dawei SEZ and Road-link Project
- Research questions and Methodology
- Argument 1: The investment on DSEZ and road-link project can be seen as the elite reconfigurations and state-society relations that have evolved since 2008 in relation of foreign Direct Investment (FDI) from Thailand
- Argument 2: The role of community groups and civil society on DSEZ have navigated new political spaces emerging in Myanmar since 2008 Constitution, especially on their ability to hold transboundary investments and its associated local elites accountable.
- Conclusions

Introduction: The Dawei Special Economic Zone (SEZ) and Road-link Project

- Dawei SEZ and road-link project
 - First Memorandum of Understanding (MOU) signed in May 2008, under Prime minister Samak Sundaravej of the People's Power Party in Thailand and military SPDC in Myanmar
 - In 2010, Ital-Thai signed a framework agreement with the Myanmar government to become the sole developer
 - “catching a tiger with empty hands” strategy of ITD failed and project stalled
 - Thai government struggled to encourage investment from Japan and India
 - Myanmar's democratic transition in 2011 created political uncertainty for project



- Port with deep-sea channel handling 56 ships and 100 million tons per year
- Industrial estate of 204.5 km² for heavy, medium, and light industry, petroleum and chemical complex, and a residential area
- 132 km 8 lane road-link from Kanchanaburi to Dawei
- “Western gateway to Indian ocean, and part of southern economic corridor

TRANSBORDER CORRIDOR LINK TO THAILAND

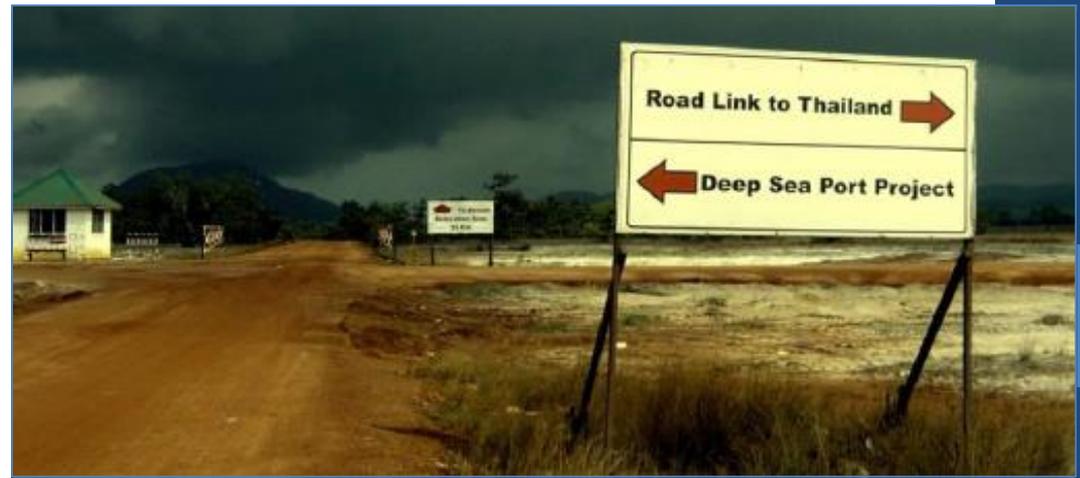


Figure: Dawei Roadlink's Masterplan (Source: Italian-Thai Development, 2012)

Dawei SEZ and Roadlink

- July 2012: Revision of project to G2G
 - Semi public enterprise under a special purpose vehicle (SPV), to be listed on Thai and Myanmar stock exchanges
 - Thai-Myanmar Joint High-Level Committee created
 - Thailand's military government allocated NESDB to develop SPV structure
 - "ITD Consortium" invited to develop initial 35 km² until 2020
- "Access road" project already completed in 2012
 - In July 2013, Htee Kee - Phu Nam Ron checkpoint opened

Political risk remains as the new Myanmar govt's policies are uncertain, as are Thailand's.



A New Phase of Inter-Government Cooperation

- On 9 October 2014, Thailand's new Prime Minister took his first official overseas trip to Myanmar to meet President Thein Sein
- Both leaders agreed to deepen cooperation and better regulate border areas:
 - Formal and informal migrant labor, including create more efficient migrant registration processes,
 - Human trafficking
 - Special Economic Zone (SEZ) in border areas – for example, Mae Sot
 - Energy cooperation, including gas and oil infrastructure
 - Dawei SEZ and road-link project

Bangkok Post The world's window on Thailand

Prayut tightens border controls

PM forges security deal with Myanmar

Published: 10 Oct 2014 at 06:14 | Viewed: 5,694 | Comments: 0
Newspaper section: News
Writer: Post Reporters

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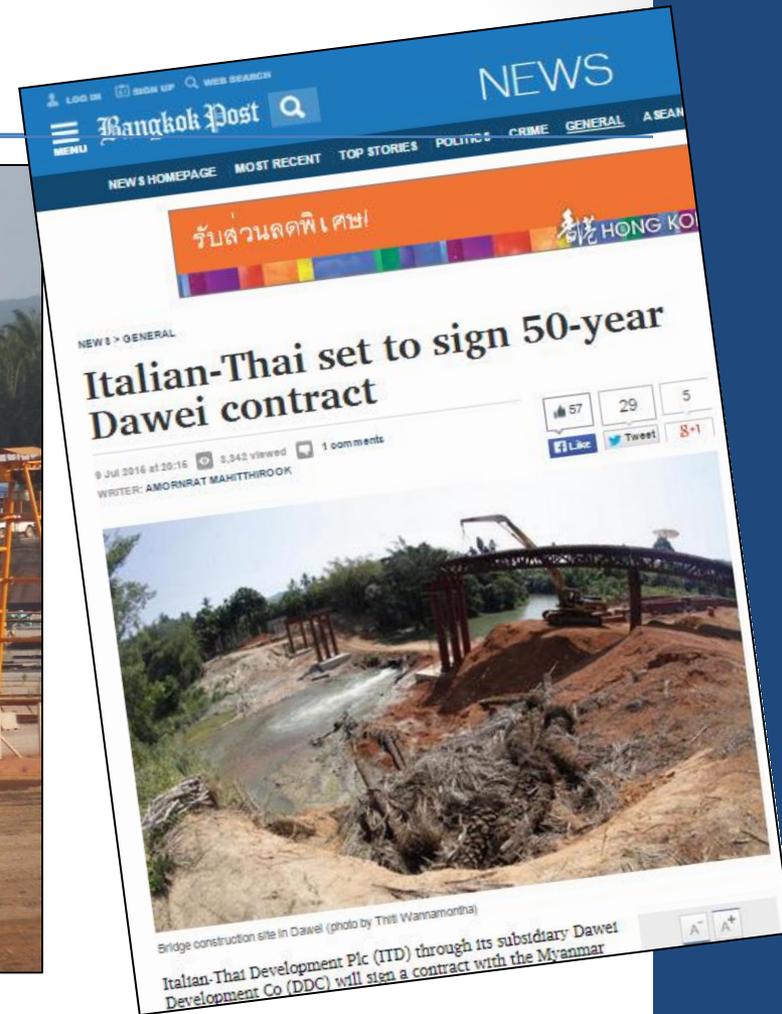
Thailand and Myanmar have agreed to strengthen cooperation through their "partnership for security and development" by regulating border areas and pushing for a comprehensive development plan in a bid to solve long-standing problems along the frontier.



Gen Prayut and President Thein Sein hold discussions at the Myanmar government's reception area after the arrival of the visiting Thai prime minister at Nay Pyi Taw International Airport on Thursday.

Prime Minister Prayut Chan-o-cha thanked Myanmar for its understanding about the situation in Thailand and for standing

A more modest (re)start



- In January 2015, it was reported that a Thai consortium was negotiating a first phase of the project
- On the 4th July 2015, a Memorandum of Intent placed Japan as a third equal shareholder in the G-to-G project

Research Questions

- Our research has addressed two research questions:
 - What are the relationships between FDI on DSEZ and road-link project as elite reconfigurations and state-society relations on this issue?
 - How CSOs have navigated new political spaces emerging in Myanmar since 2011 on transboundary investments and its associated local elites accountable?

Methodology

- Qualitative methodology based on in-depth interviews, focus group discussions and observation in Myanmar and Thailand
- Meetings with communities, civil society groups, political parties, media, academics, and business actors in Myanmar
 - Visit to Dawei SEZ
 - May 2015: Visit to Nyaung Done/ Kler Pu* / Kyaw Htar Inn/ Ka Lone Htar* / Pyin Thar Daw villages in Taninthayi region



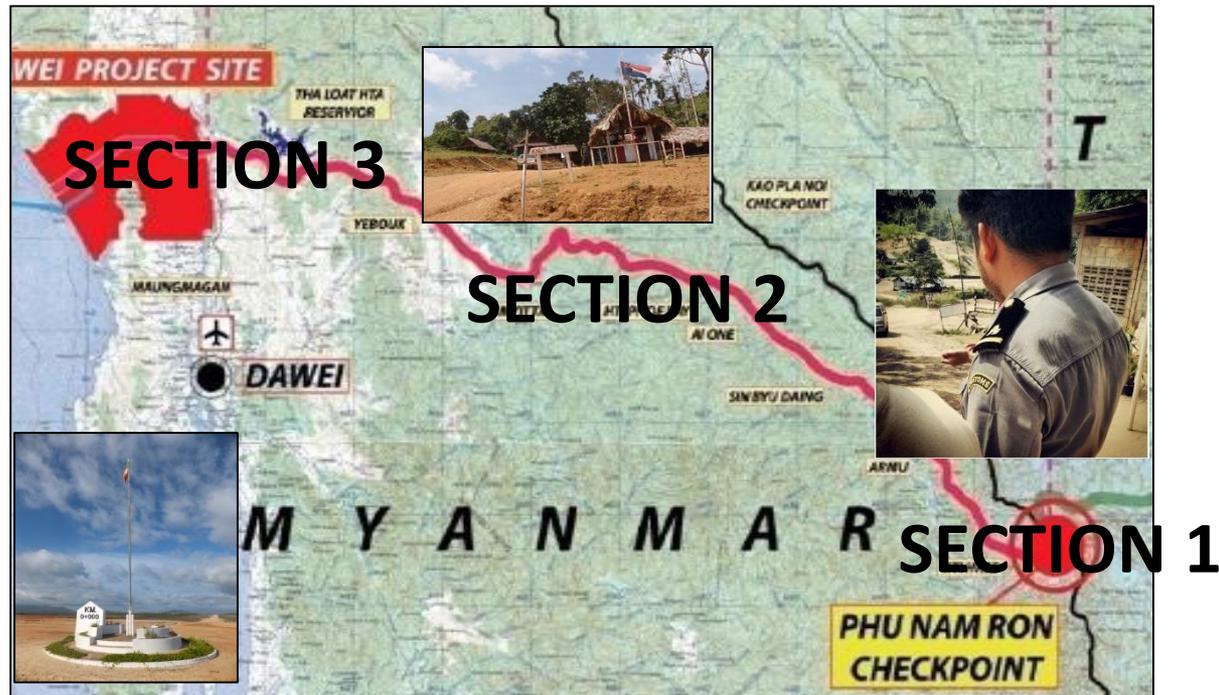
Argument one:: The investment on DSEZ and road-link project can be seen as the elite reconfigurations and state-society relations that have evolved since 2008 in relation to FDI from Thailand

The DSEZ is not merely a very large industrial project



- The governments of Myanmar and Thailand have various wider interests in stabilizing Tanintharyi Region through developing DSEZ
 - The Myanmar government supports the DSEZ and road-link to extend and consolidate its territorial control of KNU areas, but is tempered by the implied Thai threat to sovereignty
 - For the Thai government, the DSEZ and road-link is an important “spatial fix” strategy (Glassman 2010) to alleviate declining profitability in Thailand’s economy and address social opposition to the country’s further industrialization (It’s also a politics of hope!)
 - For the KNU, negotiating the DSEZ, in particular the road-link, represents a tightrope act in the wider context of the organization’s future political role and economic security

Reconfiguring territorial control and political authority



Since its completion, the access road has significantly changed transportation access, and facilitated a growing cross-border trade with Thailand, especially since July 2013 when the Htee Kee - Phu Nam Ron checkpoint opened

Its creation is also integral to the process of reconfiguring political authority across the Taninthayi Region

Reconfiguring territorial control and political authority

- Overall, since the ceasefire with the KNU in 2012 and affirmed in 2015 by the National Ceasefire Agreement, the situation on the ground has shifted, drawing on Mary Callahan's (2007) terminology from a "form of military occupation" to "coexistence" in the KNU's shrinking territory.
- "Military occupation" refers how the tatmadaw, and other state agencies, threaten to or did dominate an area as an occupying agency
- "Coexistence" refers to how "a range of strategic partners – including ceasefire group leaders, traders, religious leaders, GONGO, NGO personnel and government officials – have achieved varying degrees of co-existence."
 - In the recent past, the KNU controlled area was from Myitta to the Border with Thailand and Myanmar authority area from Myitta to Dawei, although this has since been eroded
 - Myanmar authorities control sections 1 and 3, including the Htee Kee border crossing
 - KNU control section 2

Reconfigured authority: Experience on the ground



Reconfigured authority: Experience on the ground



“Land registration is not arranged with guns and bullets nowadays, but with political deals among the elites and business interests.” (NGO interview, October 2013)

Myanmar Government's interests

- A balancing act between consolidating territorial control over areas previously controlled by the KNU, whilst limiting the implied loss of sovereignty
- In interviews, it was expressed that Thailand should play more role in controlling the weapons trade, and preparing people for voluntary repatriation
- In President Thein Sein's inaugural address, in March 2011, he emphasized the importance of national industrialization ... yet in this context the DSEZ is not a priority project

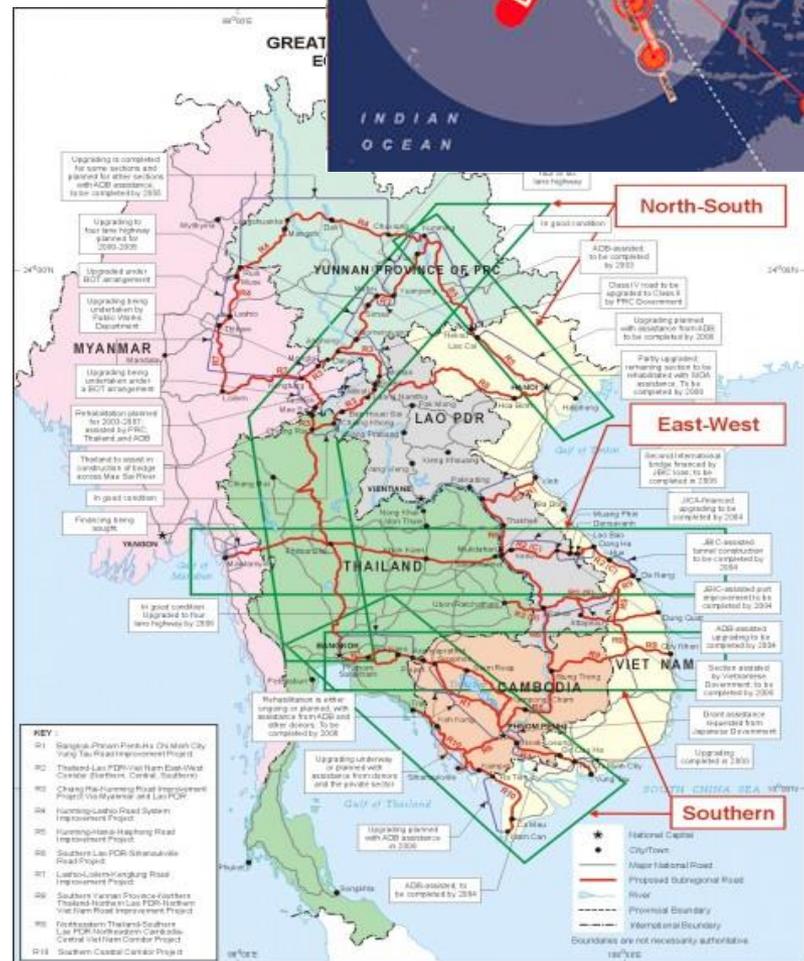


Myanmar Government's interests

- The DSEZ has been a “legitimizing” driver for the access road/ road-link, which passes through KNU controlled areas, thus, projecting presence and access into territories of Tanintharyi region.
 - A balancing act between consolidating territorial control of areas previously held by the KNU, whilst limiting the implied loss of sovereignty
 - Dawei is closer to Bangkok (330km) than to Yangon (680 km)
 - However, Minister Aye Myint, in December 2013, tried to downplay this concern. He said: *“Many people said they were concerned that Thai businesses would exert too much influence over the SEZ, and that Burma would be a loser ... But they are wrong. The management committee by the Burma government is the most powerful”*
 - The process of channeling FDI in the service of territorial control is partly-analogous to Kevin Woods (2011) “ceasefire capitalism”, although whether similar benefits for local elites were gained requires further study

Thailand Government-business interests

- Since Myanmar began practicing a market-oriented economy, Thailand became Myanmar's second largest foreign investor
 - Thailand has a longer history since the late 1980s investing in Myanmar
- Thailand, whilst not land-locked, could benefit from greater market access via DSEZ
- A spatial fix (Glassman 2010) to alleviate declining profitability in Thailand
 - Thailand exhibits characteristics of a “middle income trap”
 - Businesses seeking: new natural resources; lower wages; less regulation / more externalization of costs



Thailand Government-business interests



“The Myanmar government had given top priority to the Dawei project since it would not only help Myanmar’s economic expansion but also contribute to the prosperity of many other countries in the region, including Thailand. Thailand is currently developing land-transport connectivity along the East-West Economic Corridors linking the country’s Eastern Seaboard with the Dawei deep-sea port and industrial estates. ...With today’s inclusion of Japan in the SPV, the Dawei projects will go ahead in full scale.” **Somkid Jatusripitak, Thai Deputy Prime Minister (The Nation Newspaper, December 15, 2016)**

Thailand Government-business interests



The road-link also facilitates wider investment into Tanintharyi Region for Thai investors; Partly evidenced by the Heinda Mine (Pongpipat Company) and Coal Mine in Paw Klo area (East Star Company)

Formal border trade has increased since in July 2013, when the Htee Kee - Phu Nam Ron checkpoint opened

“Tanintharyi region needs protection and strict regulation in facing export products from Thailand. Almost everything now coming from Thailand since the border opens started from foods, fruits and daily goods. Local businessmen simply cannot compete with the inflow of products from Thailand”, senior Dawei Trader from the Chamber of Commerce

Karen National Union

- For the KNU, the Dawei SEZ represents a tightrope act in negotiating the organization's future political role and economic security in Taninthayi Region
 - The Myanmar authorities are increasingly projecting influence into the KNU controlled areas
 - Challenged as Thailand has focused on controlling and shrinking the refugee camps
 - There have been internal divisions within the KNU related to the ceasefire and how to prioritize between economic investment versus political agreement
 - Despite the challenges, the KNU is still influential including as a key group in ethnic political consortiums
- Since the October 2015 NCA, the KNU has been designated as a legal organization in Myanmar, which will affect the future role of the KNU politically and economically



Reconfiguration of political authority

- The process of partly creating the DSEZ and road-link has shaped the **reconfiguration of political authority** in Tanintharyi Region, and is also linked to contestation over territorial and resource control.
- **Each elite actor** (Myanmar and Thai state/ military / business; KNU) has sought to **pursue/ negotiate their direct and broader interests** through the project
- Rather than this political authority being contested only between elite actors, **organized community groups and local/ transnational civil society networks have also reshaped this relationship**

Argument two: The roles of community groups and civil society on DSEZ have navigated new political spaces emerging in Myanmar since 2011, especially on their ability to hold transboundary investments and its associated local elites accountable.

Community groups negotiating /navigating co-existent authorities

Despite major power asymmetries, since the democratic transition in 2010 and ceasefire in 2012/5, new spaces have emerged to challenge elite actors



- RKIPN or Rays of Kamoethway Indigenous People Network was founded in 2014 to conserve and manage natural resources.
- TRIPNET or the Tanintharyi River and Indigenous People Network
- CSLD is a committee at the village level which works with CSOs:
 - Prepared in anticipation of 2012 ceasefire
 - Formed of CSO and KNU local leaders
 - Meet every month, write letter to KNU and Myanmar Government about affected land



Local NGOs negotiating/ navigating co-existent authority



TWU is going to launch the Report
"OUR LIVES, NOT FOR SALE"
 Tavoyan Women speak out against
 the Dawei Special Economic Zone Project

Bangkok, Launch
 Date: 23rd December 2014
 Time: (10:30 Am - 12:00 Noon)
 Place: Foreign Correspondents' Club of Thailand

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Thai-Burma Road Link Blocked by Dawei Protesters
 By LAND RIGHTS, LAWI WENG / THE IRRAWADDY | Wednesday, September 18, 2013



Unfair game_English version Mp4

Local CSOs negotiating/ navigating co-existent authorities and elites

- Civil society has challenged various elites, including:
 - DSEZ project developers
 - Cancellation of 4000 MW power station in January 2012, following calls for green development by DDA
 - Creating permanent signs of opposition, such as the “Stop Building Another Ma Tha Phut”
 - Thailand Government
 - Complaint submitted to the TNHRC in March 2013
 - DDA’s “Voices from the Ground” presented to TNHRC in 2014
 - Myanmar Government through greater media freedoms and use of the court
 - Appeals to President Thein Sein’s “responsible investment” and “Rule of Law”
 - KNU
 - Flagging problematic projects, such as the East Star Mining Company coal mine
 - Challenging the KNU’s authority to adjudicate by taking the case to the Government’s Dawei court, related to the Heinda Mine case in May 2014

Local NGOs negotiating/ navigating co-existent authorities

- *“We are a very organized community and very strong social cohesion, both elders and youths are participating in movements and activities. We share experiences and learn from other communities. We think that this is the only roadmap for the next generation. We have also learned from Thai CSOs.”* Villagers from Kleu Pu and Thabyu Chaung



Conclusions

Question One:

- Myanmar's military junta government signed a contract with Thailand's Italian-Thai Development Public Co. Ltd. (ITD) to build the Dawei Special Economic Zone (DSEZ) and connected to Thailand via a 138 kilometer "road-link" project.
- For the Thai government and the associated Thai companies pursuing the project, the DSEZ is an important "spatial fix" strategy to alleviate declining profitability in Thailand's economy and address social opposition to the country's further industrialization.

Question One (con.)

- Ultimately the state-private sector alliance weakened as the government's confidence in ITD waned, and the project was transformed into a Government-to-Government project between Myanmar, Thailand and Japan, and is currently under construction in a significantly scaled-back form.

Question Two:

- Environmental and social implications of a project of such scale became apparent, affected communities and civil society groups in Myanmar and Thailand organized to challenge it.
- CSOs deployed various strategies, ranging from public protest, to opposing the project in the media and raising a complaint with the Thai National Human Rights Commission.

Question Two (con:)

- Focusing in particular on the role of community groups and civil society, the paper founded that CSOs have navigated their new political spaces emerging in Myanmar, including the emerging ability to hold transboundary investments and its associated local elites accountable.

Thank you for listening

