



รายงานวิจัยฉบับสมบูรณ์

โครงการวิจัย

“Cross-Border Economic Development, Human Security and  
Peace Building Process in Myanmar: A Case Study of the  
Dawei Roadlink Project in Tanintharyi Division”

โดย

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## (โครงการชุด นโยบายชาติและความสัมพันธ์ข้ามชาติ)

## สนับสนุนโดยสำนักงานกองทุนสนับสนุนการวิจัย (สกว.)

(ความเห็นในรายงานนี้เป็นของผู้วิจัย สกว. ไม่จำเป็นต้องเห็นด้วยเสมอไป)

# บทสรุปงานวิจัยและข้อเสนอเชิงนโยบายสำหรับผู้บริหาร

## โครงการวิจัย

การพัฒนาเศรษฐกิจข้ามพรมแดน ความมั่นคงมนุษย์และกระบวนการสันติภาพในเมียนมา: กรณีศึกษาโครงการเส้นทางเชื่อมทวาย รัฐต้นนาวรี

CROSS-BORDER ECONOMIC DEVELOPMENT, HUMAN SECURITY AND PEACE BUILDING PROCESS IN MYANMAR: A CASE STUDY OF THE DAWEI ROADLINK PROJECT IN TANINTHARYI REGION

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## ประเด็นความมั่นคงของมนุษย์และการเปลี่ยนผ่านของความขัดแย้ง

การศึกษาครั้งนี้ใช้กรอบคิดเรื่องความมั่นคงของมนุษย์และการเปลี่ยนผ่านของความขัดแย้ง เพื่อศึกษาวิเคราะห์ โครงการเส้นทางระเบียงเศรษฐกิจระหว่างทาง 138 กิโลเมตร เชื่อมระหว่างบ้านพุน้ำร้อน อำเภอเมือง จังหวัดกาญจนบุรี ประเทศไทย กับตอนเหนือของเมืองทวาย รัฐต้นนาวรี ประเทศเมียนมา โครงการดังกล่าวได้ก่อให้เกิดการเปลี่ยนแปลงอย่างมากทั้งในเรื่องการเข้าถึงเส้นทางคมนาคมและการค้าข้ามพรมแดนระหว่างพม่ากับไทย แต่ก็ส่งผลกระทบต่อชุมชนในพื้นที่ของทั้ง 2 ประเทศ รวมทั้งผลกระทบต่อสถานการณ์การเปลี่ยนผ่านของความขัดแย้งในพื้นที่ของกลุ่มชาติพันธุ์ ส่งผลต่อความมั่นคงมนุษย์ของประชาชนและกลุ่มผู้ผลัดถื่นชาติพันธุ์ทั้งที่อยู่ในประเทศไทยและในประเทศพม่า

รายงานนี้ได้ใช้แนวคิดความมั่นคงของมนุษย์ในประเด็นเรื่องความมั่นคงทางด้านเศรษฐกิจ ความมั่นคงทางอาหาร ความมั่นคงทางด้านสุขภาพ ความมั่นคงทางด้านสิ่งแวดล้อม ความมั่นคงส่วนบุคคล และความมั่นคงทางการเมืองดังตารางข้างล่าง

### ตัวชี้วัดความมั่นคงของมนุษย์กับโครงการเส้นทางเชื่อมทวาย

ประเภทของความมั่นคง	ตัวชี้วัดของความมั่นคง	ประเด็นที่ใช้พิจารณา
ความมั่นคงทางเศรษฐกิจ	<ul style="list-style-type: none"><li>การเข้าถึงทรัพยากรและอาชีพ</li><li>ความมั่นคงในที่ดินเพื่อทำการผลิต</li></ul>	ที่ดินและทรัพย์สินทางด้านเกษตรกรรม
ความมั่นคงด้านอาหาร	<ul style="list-style-type: none"><li>การมีอาหารที่เหมาะสม</li><li>การเข้าถึงอาหารและทรัพยากร</li></ul>	อาหารและทรัพยากร
ความมั่นคงด้านสุขภาพ	<ul style="list-style-type: none"><li>การเข้าถึงการรักษาพยาบาลและสุขอนามัย</li><li>การรักษาพยาบาลที่มีคุณภาพ</li><li>การป้องกันและรักษาโรคระบาด</li></ul>	การรักษาพยาบาลสุขอนามัยในพื้นที่คลินิก โรงพยาบาล
ความมั่นคงด้าน	<ul style="list-style-type: none"><li>สถานการณ์ป้ามีและดินถล่มในพื้นที่</li></ul>	ภัยธรรมชาติ

ประเภทของความมั่นคง	ตัวชี้วัดของความมั่นคง	ประเด็นที่ใช้พิจารณา
สิ่งแวดล้อม	<ul style="list-style-type: none"> <li>คุณภาพของดินและน้ำ</li> <li>การป้องกันปัญหาอันเนื่องมาจากการขยายเส้นทาง และการทำอุตสาหกรรม</li> </ul>	การทำเหมืองและ การขยายเส้นทาง คมนาคม
ความมั่นคง ส่วนบุคคล	<ul style="list-style-type: none"> <li>ปราศจากการใช้ความรุนแรง</li> <li>ระดับของการเกิดอาชญากรรม</li> <li>มีสถานที่ทางกฎหมายและหน่วยงานพิจารณาคดี ความที่มีประสิทธิภาพ</li> </ul>	การคุ้มครองทางกฎหมายและ กระบวนการ สันติภาพ
ความมั่นคง ทางการเมือง	<ul style="list-style-type: none"> <li>ปราศจากความขัดแย้งระหว่างพื้นที่</li> <li>ปราศจากความขัดแย้งภายใน</li> <li>การคุ้มครองจากประเทศวิถีปฏิบัติที่ไม่เป็นธรรม ละเมิดสิทธิทางการเมือง</li> <li>ไม่มีการเลือกปฏิบัติต่อชนกลุ่มน้อยของสังคม</li> </ul>	

### การดำเนินการวิจัย

#### ประเด็นที่เกี่ยวข้อง

- ความเป็นมาและความสำคัญของประเด็นการวิจัย
- วัตถุประสงค์ของการวิจัย
- กรอบเวลาของการวิจัย
- คำถามหลักของการวิจัย
- สมมติฐานของการวิจัย
- วิธีการวิจัยและระยะเวลาที่ดำเนินการวิจัย
- แหล่งข้อมูลโดยสังเขป

### ข้อค้นพบของการวิจัย

โครงการเส้นทางเชื่อมทวาย (Dawei Road link) นั้นหมายถึง โครงการเขตเศรษฐกิจพิเศษทวาย Dawei SEZ และเส้นทางเชื่อมระเบียงเศรษฐกิจด้านใต้ โดยเริ่มจากบ้านพูน้ำร้อน อำเภอเมือง จังหวัดกาญจนบุรี ข้ามพรมแดนที่ด่านบ้านทึ้ง (Htee Khee) เข้าสู่เมืองมีตตา ข้ามผ่านพื้นที่ป่าครองของกลุ่มชาติพันธุ์กระเหรียง และไปจบที่เมืองทวาย รัฐต้นนาวรศรีในประเทศไทย ซึ่งเดิมนั้นบริษัทอิตัลไทย เป็นผู้รับสัมปทาน แต่ภายหลังได้มีการปรับเปลี่ยนผู้รับสัมปทานจากบริษัทฯ เป็นนิติบุคคลเฉพาะกิจในนาม บริษัท Dawei SEZ Development Co., Ltd. หรือเรียกว่า SPV (Special Purpose Vehicle) ซึ่งเป็นการถือหุ้นในอัตราร้อยละ 50% ระหว่างรัฐบาลไทยกับรัฐบาลพม่า ในปี 2557 โดยทางทาง SPV ได้จัดทำเอกสารที่กำหนดขอบเขตและรายละเอียดของภารกิจ (TOR) แล้วเชิญเฉพาะกลุ่มนักลงทุนที่มีศักยภาพมาร่วมประมูลในกรอบงานที่ทาง SPV พิจารณาแล้วว่าควรเร่งดำเนินการก่อน ซึ่งทางบริษัทอิตัลไทยและเครือข่ายพันธมิตรทางธุรกิจได้รับการคัดเลือก อยู่ในขั้นตอนของการเจรจารายละเอียดของสัญญาสัมปทานและการดำเนินการก่อสร้าง

โครงการเขตเศรษฐกิจพิเศษทวายและเส้นทางเชื่อมได้ถูกกล่าวขวัญถึงและเป็นที่ถกเถียงอย่างมาก ทั้งในแง่ประโยชน์ทางเศรษฐกิจ พร้อมๆ กับผลกระทบต่อชุมชนท้องถิ่นที่ยังไม่ได้รับการเยี่ยวยา แก้ไข หรือบรรเทา

ผลกระทบ โดยเฉพาะในด้านการบังคับอพยพโยกย้าย การเปลี่ยนแปลงสภาพวิถีชีวิต การเปลี่ยนแปลงวัฒนธรรม และการขาดการมีส่วนร่วมของประชาชนในพื้นที่ .

โครงการดังกล่าวเริ่มต้นจากความพยายามของกลุ่มผู้สนับสนุนโครงการสร้างนิคมอุตสาหกรรมขนาดใหญ่ทางด้านปิโตรเคมีและปิโตรเคมีในเอเชียตะวันออกเฉียงใต้ แต่เมื่อระยะเวลาผ่านไป กิจกรรมทางเศรษฐกิจไม่ได้เกิดขึ้นเท่าที่ควร เมื่อเทียบกับระยะเริ่มต้นโครงการในปี ค.ศ. 2012 ที่โครงการเริ่มมีการปรับที่ดิน ตระเตรียมโครงสร้างพื้นฐาน กับสถานการณ์ในปี ค.ศ. 2015 ที่จัดได้ชัดเจนถึงความกรังของบ้านพักและพื้นที่ชดเชย สำหรับชาวบ้านผู้ลูกவ่นคืนที่ดิน การปิดตัวของศูนย์นิทรรศการและสำนักงานประชาสัมพันธ์ที่ทำหน้าที่ให้ข้อมูล

ภายใต้ความพยายามของรัฐไทยในการผลักดันโครงการดังกล่าว แม้จะทำให้โครงการทวายและเส้นทางเชื่อมระเบียงเศรษฐกิจจะพื้นตัวอีกรั้งภายในตัวการสนับสนุนของรัฐบาลจากทั้ง 2 ประเทศ แต่ก็เป็นไปในขนาดเล็กมากแม้จะมีความพยายามในการดึงนักลงทุนจากประเทศญี่ปุ่นมาลงทุนในโครงการเขตเศรษฐกิจพิเศษทวาย แม้ตัวบริษัทอิตัลไทยเองก็ได้ประเมินความเสี่ยงจากโครงการทวายภายใต้การดูแลของ SPV และ DSEZ Management Committee ว่าหากการเจรจาสัญญาสัมปทานกับทางรัฐบาลเมียนมาร์ เกิดความล่าช้า ย่อมส่งผลกระทบต่อแผนการพัฒนาโครงการอีกรั้ง กระบวนการทำ Due Diligence เพื่อประเมินสินทรัพย์และชดเชยเงินลงทุนที่ทางบริษัทอิตัลไทยจะได้รับคืนนั้นก็ยังไม่ทราบรายละเอียดและมีแนวโน้มว่าอาจต่ำกว่าเงินลงทุนจริงซึ่งอาจส่งผลกระทบต่อการพัฒนาธุรกิจและสถานะทางการเงินของบริษัท

ในงานศึกษาชั้นนี้ คณะผู้วิจัยศึกษาการเปลี่ยนผ่านทางการเมืองของประเทศไทยและประเทศเมียนมาร์ โดยศึกษาความสัมพันธ์ระหว่างรัฐและสังคมที่ได้มีการพัฒนามาตั้งแต่การประกาศใช้รัฐธรรมนูญ ค.ศ. 2008 ของประเทศไทยเมียนมาร์ และพัฒนาการทุนนิยมแบบรัฐอำนวยของไทยหลังการรัฐประหาร ปี ค.ศ. 2006 และ 2014

ภายใต้แนวคิดเรื่อง Ceasefire capitalism (Woods 2011) และ Co-exit Authorities (Callahan 2007), งานวิจัยชั้นนี้นำเสนอว่า โครงการเขตเศรษฐกิจพิเศษทวายและเส้นทางเชื่อมระเบียงเศรษฐกิจทำหน้าที่มากกว่าการพัฒนาด้านอุตสาหกรรม หากแต่เป็นเครื่องมือของการประสานแนวคิดระหว่างการควบคุมดินแดนที่เคยอยู่ภายใต้การยึดครองของกลุ่มชาติพันธุ์กับการลุกcroft รอบกำแพงเศรษฐกิจโดยระบบทุนนิยมโลกาภิวัตน์และอิทธิพลจากกรุงเทพ

สำหรับประเทศไทย โครงการทวายนี้ถือเป็นยุทธศาสตร์เรื่องที่สำคัญในการช่วยพัฒนาเศรษฐกิจของไทยที่ติดอยู่ในกับดักรายได้ปานกลางและนำไปสู่การพัฒนาอุตสาหกรรมในระดับสูงขึ้นไป สำหรับไทยและพม่าแล้ว ความร่วมมือดังกล่าวอาจเรียกว่าเป็นความร่วมมือเชิงยุทธศาสตร์ความมั่นคงแบบพื้น้องทหารห้าย (military brotherhood strategy) ในการร่วมกันควบคุมพื้นที่ชายแดน (Thabchumpon, Middleton et al. 2014), ซึ่งนอกเหนือจะช่วยแก้ปัญหาทางเศรษฐกิจแล้ว ยังช่วยแก้ปัญหาผู้ลี้ภัยและอาชันนำไปสู่ความเป็นไปได้ของการส่งผู้หนีภัยส่วนรวมกลับประเทศไทยโดยสมัครใจในอนาคต สำหรับกองกำลังกลุ่มชาติพันธุ์กระเรี่ยง KNU, โครงการทวายและเส้นทางเชื่อมระเบียงเศรษฐกิจเป็นเสมือนเงื่อนไขที่สำคัญขององค์กรในการเจรจาสันติภาพและการต่อรองทางการเมืองในอนาคต รวมทั้งความมั่นคงทางเศรษฐกิจและความขัดแย้งที่อาจเกิดขึ้นจากผลกระทบของโครงการในพื้นที่ของกลุ่มชาติพันธุ์ สำหรับประชาชน ผู้หนีภัย ผู้ลี้ภัยและชุมชนในพื้นที่ โครงการทวายและเส้นทางเชื่อมระเบียงเศรษฐกิจช่วยทำให้เราเข้าใจถึงรูปแบบของการเปลี่ยนผ่านของความขัดแย้ง จากการชัดแย้งอันเนื่องจากภัยส่วนรวมและความรุนแรงทางการภาพ มาสู่ความขัดแย้งทางเศรษฐกิจ การเข้าถึงทรัพยากรและความรุนแรงเชิงโครงสร้างซึ่งอาจถือได้ว่าเป็นทั้งโอกาสและข้อห้ามห้ามต่อการพัฒนาในพื้นที่ชายแดน

นอกจากนั้นสถานการณ์ของผู้ลี้ภัยในศูนย์พักพิงในประเทศไทย ซึ่งเกิดขึ้นมาตั้งแต่รัฐปี 1984 และยังคงดำเนินมาจนถึงปัจจุบัน โดยเป็นศูนย์ซึ่งสร้างขึ้นโดยรัฐบาลไทยตามแนวชายแดนไทย-พม่า โครงการทวายดังกล่าวอาจนำไปสู่การให้ความสนใจที่จะประเมินความเหมาะสมของโครงการประโยชน์ และเงื่อนไขสำหรับผู้ลี้ภัย รวมถึงประเมินความเหมาะสมและความสามารถของผู้ลี้ภัยในการ

เข้าถึงอาชีพที่จะเกิดขึ้นจากการดังกล่าว และอะไรคือเงื่อนไข และนัยสำคัญสำหรับการรองรับสถานการณ์ทางเศรษฐกิจและการเมืองที่เปลี่ยนไปในพื้นที่ชายแดน

การศึกษาในครั้งนี้มีแหล่งข้อมูลที่สำคัญทั้งจากการวิเคราะห์ข้อมูลเอกสารชั้นต้น เอกสารชั้นรองที่เป็นภาษาไทยและภาษาอังกฤษ โดยเอกสารชั้นต้นมีทั้งเอกสารของทางการไทยและพม่า องค์กรพัฒนาเอกชน องค์กรชุมชนในพื้นที่ของทั้ง 2 ประเทศ ในส่วนของเอกสารชั้นรองมีทั้งหนังสือ วารสารวิชาการ บทความในหนังสือพิมพ์ เว็บไซต์ และรายงานการวิจัย นอกจากนี้ยังได้มีการเก็บข้อมูลในพื้นที่โดยใช้วิธีการสัมภาษณ์เชิงลึก การสังเกต แบบมีส่วนร่วมและการสังเกตแบบไม่มีส่วนร่วม ในเขตเมือง เขตหมู่บ้านชุมชน พื้นที่พักพิง โรงเรียน สถานพยาบาล รวมทั้งพื้นที่พักพิงสำหรับผู้พลัดถิ่นภายใต้กฎหมายในประเทศไทย ตลอดจนหมู่บ้านของกลุ่มชาติพันธุ์ในพื้นที่ ตลอดแนวเส้นทางเชื่อมพุน้ำร้อน-ทวาย

## ข้อเสนอเชิงนโยบาย

ผลจากการศึกษาและวิเคราะห์ข้อมูลสะท้อนเป็นข้อเสนอในเชิงนโยบายได้ใน 4 ด้านหลัก กล่าวคือ

### 1. การสร้างการมีส่วนร่วมและความร่วมมือระหว่างผู้มีส่วนได้เสีย

ผู้มีส่วนได้เสียทุกฝ่ายควรสร้างความร่วมมือกันอย่างจริงจังทั้งผู้พลัดถิ่น องค์กรชุมชน องค์พัฒนาเอกชน ภาคธุรกิจและภาครัฐ ทั้งรัฐบาลไทยและรัฐบาลพม่า เพื่อให้ทราบถึงความต้องการและความจำเป็น อันจะนำไปสู่ การสร้างความมั่นคงของมนุษย์สำหรับผู้พลัดถิ่น ดังนั้นความร่วมมือของผู้มีส่วนเกี่ยวข้องทั้งหมดจำเป็นต้องทำให้เกิดขึ้นอย่างเป็นทางการ มียุทธศาสตร์ และมีระบบ การสร้างความร่วมมือระหว่างผู้มีส่วนได้เสียควรพัฒนาให้เกิด เป็นสถาบัน ซึ่งจะนำไปสู่การติดต่อสื่อสารประเด็นปัญหา ความต้องการกันมากขึ้น

### 2. การเพิ่มขีดความสามารถของชุมชนท้องถิ่น ตลอดเส้นทางเชื่อมพุน้ำร้อน - ทวาย

แนวโน้มการเปลี่ยนแปลงซึ่งย่อมต้องส่งผลกระทบต่อการพัฒนาพื้นที่ การแย่งชิงทรัพยากร การเก็บกำไร ที่ดิน และปัญหาความเหลื่อมล้ำ อาจต้องการมุ่งมองที่เปิดกว้าง การขยายบทบาทและศักยภาพ ของรัฐบาลทั้ง 2 ประเทศที่จะประกันความยุติธรรมและการคุ้มครองทางกฎหมายให้กับชาวบ้าน และกลุ่มผู้พลัดถิ่น จึงควรมีกิจกรรมพัฒนาทักษะในฐานะแนวทางในการสร้างความร่วมมือระหว่างกัน

### 3. โครงการนำร่อง

โครงการนำร่องที่ควรจัดให้มีขึ้นคือ การอนุญาตให้ผู้พลัดถิ่นสามารถก่อมาทำนนกอกศูนย์พักพิงชั่วคราวได้ในเขตเศรษฐกิจพิเศษทวาย หรือโรงงานในพื้นที่ใกล้เคียง และให้ผู้พลัดถิ่นสามารถเข้าถึงบริการของ ท้องถิ่นได้ จากล่าวได้ว่าทั้งสองโครงการถือเป็นการริเริ่มการแก้ปัญหาที่ยั่งยืนในสถานการณ์ปัจจุบัน การจะเลือก โครงการนำร่องโดยผู้มีส่วนได้เสียควรพิจารณาจากพื้นฐานความเหมาะสมด้านทรัพยากรธรรมชาติ เงื่อนไขทางเศรษฐกิจ และระบบกฎหมาย

### 4. การมีแนวโนบายที่เหมาะสม

นโยบายของรัฐบาลในปัจจุบันมีพื้นฐานอยู่บนรูปแบบความมั่นคงของรัฐ ซึ่งยังคงมีปัญหาอยู่มาก นโยบายรัฐบาลจำเป็นต้องสร้างความสมดุลระหว่างความมั่นคงของรัฐกับความมั่นคงของมนุษย์ ดังนั้นความ เหมาะสมของนโยบายรัฐ ควรให้ความสนใจต่อความมั่นคงของมนุษย์ให้มากขึ้น

## หน่วยงานที่เกี่ยวข้อง

- สถาบันวิจัยและพัฒนาชุมชน
- กระทรวงมหาดไทย
- กระทรวงการต่างประเทศ
- กระทรวงอุตสาหกรรม

- สำนักงานสภาพัฒนาเศรษฐกิจและสังคมแห่งชาติ (สศช)
- กระทรวงคมนาคม
- องค์การสหประชาชาติ (United Nations Development Program: UNDP, United Nations High Commissioner for Refugees: UNHCR, United Nations Office for the Coordination of Humanitarian Affairs: UNOCHA)

### ข้อเสนอแนะสำหรับการวิจัยต่อไป

การศึกษาเขตเศรษฐกิจพิเศษและเส้นทางระเบียงเศรษฐกิจ สามารถขยายขอบเขตไปยังบริเวณชายแดนของไทยกับประเทศเพื่อนบ้านอื่นๆ เช่น ประเทศไทย ประเทศลาว ประเทศกัมพูชา ประเทศมาเลเซีย เพราะจะทำให้ทราบถึงประเด็นปัญหา และแนวทางของรัฐบาลไทยที่พึงปฏิบัติในประเทศเพื่อนบ้านอื่นๆ ซึ่งจะนำไปสู่ความเข้าใจ รวมถึงสามารถนำไปใช้เป็นแนวทางในการกำหนดนโยบายของหน่วยงานที่มีส่วนเกี่ยวข้อง รวมถึงการเลือกตัวอย่างพื้นที่ศึกษาที่เกิดขึ้นจากปัญหาที่ต่างกัน ก็จะทำให้เห็นมุมมองที่หลากหลายอันจะนำมาสู่การกำหนดนโยบายของประเทศไทยเพื่อการจัดการปัญหาได้อย่างเหมาะสม และดำเนินความสัมพันธ์กับประเทศเพื่อนบ้านได้อย่างดี

### บุคคล สถาบันและองค์กรที่ควรได้รับบทสรุปและข้อเสนอเชิงนโยบายอีก 10 รายการ

1. กระทรวงการต่างประเทศ  
เลขที่ 443 ถนนศรีอยุธยา เขตราชเทวี กรุงเทพฯ 10400
2. กระทรวงอุตสาหกรรม  
75/1 ถนน พระรามที่ 6 ทุ่งพญาไท เขตราชเทวี กรุงเทพ 10400
3. สำนักงานคณะกรรมการพัฒนาเศรษฐกิจและสังคมแห่งชาติ (สศช)  
962 ถนนกรุงเกษม เขตป้อมปราบศัตรูพ่าย กรุงเทพ 10100
4. กระทรวงคมนาคม  
38 ถนนราชดำเนินนอก เขตป้อมปราบศัตรูพ่าย กรุงเทพ 10100
5. กระทรวงมหาดไทย  
ถนนอัษฎางค์ กรุงเทพฯ 10200
6. สถาบันความมั่นคงแห่งชาติ  
เลขที่ 1 ทำเนียบรัฐบาล ถนนพิษณุโลก เขตดุสิต กรุงเทพ 10300
7. สถานทูตพม่าประจำประเทศไทย  
เลขที่ 132 ถนนสุขุมวิท แขวงวัฒนา ถนนสุขุมวิท แขวงวัฒนา กรุงเทพฯ 10500
8. องค์การสหประชาชาติประจำประเทศไทย  
ถนนราชดำเนินนอก กรุงเทพฯ 10200
9. Chamber of Commerce  
เลขที่ 150/2 ถนนราชบพิธ แขวงวัฒนา ถนนสุขุมวิท แขวงวัฒนา กรุงเทพฯ 10200
10. Thailand Burma Border Consortium  
12/5 ถนนคอนแวนต์ บางรัก กรุงเทพฯ 10500

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## Executive Summary

The preliminary stages of a 138 kilometer “road link” project that connects Kanchanaburi Province, Thailand to North of Dawei town, under construction since 2012, has significantly changed transportation access, and facilitated a growing cross-border trade with Thailand. The “road link” – presently only in access road form – ends at the Dawei Special Economic Zone (DSEZ), which has been planned since 2008 by the Thai construction company Ital-Thai Development Corporation (ITD) under Myanmar’s previous military government, but was redesigned as a Government-to-Government (G-to-G) project between Myanmar and Thailand in 2013, essentially suspending construction. The DSEZ and road link have been highly contested in terms of its impacts on local communities due to uncompensated loss of land and other impacts of resettlement, livelihood and culture, as well as overall weak public participation (DDA 2014).

The project was originally envisioned by its proponents to be the largest petrochemical industrial estate in Southeast Asia. Visiting the DSEZ in 2015, however, there is little activity. The houses built for resettlement lie empty and increasingly in disrepair. The visitor center, once staffed and sharing plans for the ambitious project, is now shut and can only be visited by appointment. On the empty beach that stretches into the distance from Kilometer Zero where the harbor is to be built, two solitary tourists lounge. This starkly contrasts with our first visit in 2012, when mangroves and farmland were being extensively cleared and prepared, and various preparatory infrastructure hurriedly built including a quarry, resettlement villages, and project staff housing. Even this preparation, however, was not to the extent originally anticipated by the developers, as they became embroiled in land disputes and struggled to secure investors to purchase plots in the SEZ.

Yet, significantly, a small plot is now under construction for the first actual industrial infrastructure, signaling the intent for construction, for the time being in a heavily scaled-back form. In the past month, there have been significant recent developments in the Dawei SEZ project. On the 4th July 2015, a Memorandum of Intent was signed between senior government officials for the project at the Greater Mekong Sub region summit in Tokyo, overseen by the Myanmar’s President Thein Sein, and that placed Japan as a third equal shareholder in the G-to-G project (Bangkok Post 2015). Shortly afterwards, the ITD announced that its subsidiary, the Dawei Development Co (DDC), would sign a contract with

the Myanmar government by late July to develop and run the DSEZ for at least 50 years (Bangkok Post 2015).

In this research we map out the elite reconfigurations and state-society relations that have evolved since 2008 in relation to the Dawei SEZ, and consider implications for local communities from the perspective of human security. Drawing on concepts of ceasefire capitalism (Woods 2011) and co-existent political authority (Callahan 2007), we argue that the Dawei SEZ and road link is not merely a very large industrial project. For the Myanmar government, it is a balancing act between consolidating territorial control of areas previously held by the KNU, whilst limiting the loss of sovereignty implied by the project's direct physical connection with Bangkok and Thailand's leadership role in the project. For the Thai government and nexuses Thai companies pursuing the project, it 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. For both Thailand and Myanmar, the collaboration represents a "military brotherhood" strategy for securing the border (Thabchumpon, Middleton et al. 2014), which replaces military stand-offs with cross-border economic cooperation, and seeks closure of the refugee camps on the Thai-side of the border that represent spaces of support for the KNU. For the KNU, meanwhile, the Dawei SEZ represents a tightrope act in negotiating the organization's future political role and economic security from a position of potentially diminishing influence and facing difficult internal division. Finally, for communities in the project's sphere of influence between Myitta to the border with Thailand, in the face of these elite maneuvers, we show how they have experienced the reconfiguration in local authority and the transition from violent conflict to non-violent contestation over economy benefits that represent both new opportunities and challenges for local development.

## **CHAPTER I**

### **Introduction**

#### **Background**

Myanmar is in the process of ending a two-decade long military rule and the country's transition to democracy is now at a critical juncture. With a promise to establish clean government and good governance, Myanmar's government has initiated dramatic political, social and economic reforms. Acknowledging that the economy lagged behind other countries in the ASEAN region, the Myanmar government has sought opportunities to re-engage with the regional and global economies. Along with key economic reforms in the areas of fiscal and monetary policies, the government has significantly reduced restrictions on foreign direct investments (FDI), allowing a hundred percent ownership of a foreign company in Myanmar. The government has also created new Special Economic Zones (SEZ) in the coastal regions to attract FDIs with unprecedented packages of tax exemptions and other investment incentives to end the long-term economic stagnation of the country.

With the vision to become the regional hub of industry, trade and logistics, the government of Thailand and Myanmar agreed to construct a new special economic zone and deep seaport in Dawei, southern Andaman coastline of Myanmar, connected via road and rail links to Kanchanaburi Province of Thailand. This mega project started conducting a site survey in 2008 and estimated the initial investment of more than US \$8 billion for infrastructure development. Although the Myanmar government gave Thailand's biggest construction company Italian-Thai Development Co., Ltd. (ITD) a 60-year business concession to develop the Dawei Special Economic Zone (DSEZ) in 2010, the project was delayed for a number of reasons and finally the two governments agreed to transform the project into the government-to-government project. In this new arrangement, the ITD will only hold 25 % of the project and transfer the decision-making power to the two governments, which recently set up high-level joint management committees to oversee the DSEZ. However, the project will also cause the potential environmental and social consequences in both countries.

In Myanmar, the democratization process initiated by President Thein Sein in 2011 following elections in November 2010, has resulted in major economic, social and political transformation. Facilitated by a Foreign Direct Investment (FDI) Law in late 2012, the

country has sought to liberalize the country and attract increased FDI, including from countries that previously had in place an economic embargo (EU and US). The process has been facilitated by a growing role for bilateral donors and international financial institutions, including the ADB, World Bank and IMF. Three major Special Economic Zones are at various stages of construction, namely: Thilawa (with Japan); Kyaukphyu (with China); and Dawei (with Thailand). The East-West and North-South economic corridors under the Greater Mekong Subregion (GMS) program are also facilitating the country's economic integration with Southeast Asia, as is the creation of an ASEAN Economic Community (AEC) by 2015 for which Myanmar holds a particularly important role in 2014 as the Chair of ASEAN. These investments take place within ongoing negotiations for peace between ethnic groups and the Myanmar government, the release of political prisoners that are reconfiguring the country politically, and other important changes such as the creation of a national human rights commission. At the same time, a range of challenges remain including inter-religious violence between Muslims and Buddhists, with the Rohingya becoming a flashpoint, and revision of the constitution that presently bares Daw Aung San Suu Kyi to become president.

Changes at the structural level in Myanmar, for example due to the impact of regional economic integration that includes physical interconnectivity with neighboring countries and flows of trade and investment, as well as the processes of democratization and conflict transformation inside Myanmar, are changing the meaning of its border lines and areas. In Tanintharyi Region, the opening of the border crossing at Phu Nam Ron and the partial construction of the road link to date are reconfiguring the relationships and balances of power amongst existing (conservative) actors, which are already in transformation due to the conflict transformation that is taking place, as new (economic) opportunities and new actors arrive. The area has become more open to - and is attracting - increasing business investments, in particular from Thailand, at various scales from small-scale consumer commodity traders (vegetables, manufactured goods, etc.) to larger scale investments in land and the extractives industry. The characters of flows of people across the border have also changed, due to the formal opening of a legal border crossing. This project will consider the old and new meaning of the border area minus its re-conceptualization equals the new condition under these changing circumstances of emerging opportunity and challenge from the perspectives of multiple established and new actors.

Both Thein Sein and NLD governments have continued their economy as planned in line with the positive impact of investment towards peace building and conflict transformation process. However, to meet these objectives is not that simple and needs to take several years. Two pressing issues that the government needs to address in the Thai-Myanmar border area is Internally Displaced Persons (IDPs) and displaced people living in the camps in Thailand. In this regard, whether the Myanmar government's current economic and political reforms can contribute to finding the better solutions of the existing peace process or whether the reforms will create a more complex situation is still a big question.

One example is the idea of cross-border investment that revolves around the changes ongoing in Myanmar, such as the new investment law, and investments themselves, such as the Special Economic Zone (SEZ) at the border. The reason for this is that cross-border investment can be considered as a major positive force which leads to peace and development if the process is carried step by step in a fair, transparent and participatory manner. Among the SEZ plans, the Dawei Deep Seaport and SEZ is a bilateral government-to-government project between Thailand and Myanmar. During an official visit to Thailand, Myanmar President Thein Sein signed with Prime Minister Mrs Yingluck Shinawatra a new Memorandum of Understanding (MoU) in July 2012, which broadened the involvement of the two governments in all aspects of the project. It went beyond the previous MoU signed in 2008, when the project was principally led by the Thai construction company Ital Thai Development Corporation, in which the Thai government committed to building the deep seaport and a cross-border highway connecting it to the border of Kanchanaburi with the vision of the opening of Phu Nam Ron – Htee Kee check point that allows Myanmar border-pass holder to cross to Kanchanaburi and Thais to cross to Tanintharyi and to Dawei boosting human mobility and transactions of services and goods of both countries.

For Thailand, Dawei will serve both the national interest and the private sector. There is nothing new in Thailand downplaying democratic development in Myanmar for the sake of Thai economic benefit. The Thai government has promoted Dawei as part of the national interest, despite Western skepticism about Myanmar (Chachavalpongwan, 2011). The reason is that Thailand stands to gain the most from the Dawei project. Thai-Burmese border trade has been increasing at an astonishing 55 per cent year-on-year over the past five years, and was worth some US\$1.7 billion in 2010. Undoubtedly, the Dawei project will lead to further growth in the total trade volume between the two countries. Moreover, ITD's investment in Dawei is likely to transform Thailand into a major transit hub within the East-West Economic

Corridor (Chachavalpongpun, 2012). The Dawei project would allow Thailand and Myanmar to meet this target and, further, the deep-sea port could see Thailand realize its aspiration to become the logistics hub of Southeast Asia. In the end, it is possible that the Dawei port project will be used to further legitimize both Thai and Myanmar's semi-democratic regime and their embrace of capitalism and regional integration.

This research looks at the relationship between conflict transformation, Cross-border economic development in infrastructure, and the redistribution of human security in the case of the road link project for the DSEZ. The implications for refugees originally from the road link area potentially or having already returned from Thailand will be considered as integral to the process of conflict transformation now underway. The research will be undertaken along the border locations in Thailand (Ban Phu Namron of Kanchanaburi) and Myanmar (from Htee Khee checkpoint to Dawei SEZ) along the route of roadlink. As Myanmar undergoes a contested process of conflict transformation, and as the country opens its borders to increased FDI including from Thailand, this project will help document this transformation, and aims to understand how new winners and losers are emerging and the consequences of this for state and non-state actors. It is intended that the research contribute to knowledge on the process of conflict transformation in Myanmar at this critical juncture, and at the same time – with the analysis and policy recommendations that emerge from the research - help Myanmar move towards a peaceful and equitable mode of development.

## **Research Questions**

We examined three research questions for the project.

- What is the relationship between economic dynamism, conflict transformation and FDI in infrastructure on the Dawei Roadlink project?
- How is traditional and human security redistributed as a result of processes of conflict transformation and FDI in infrastructure at the local, national, and cross-border scale?

## **Methodology**

The research methodology is mainly qualitative, based on in-depth interviews and participant observation. In the first stage of the research, secondary sources will be studied and the next stage will be in-depth interviews in the field. Documentary research as secondary sources are examined through a growing volume of analysis is emerging on the Dawei Road-link Project from government agencies (both Thai and Myanmar), academics

literature, published and unpublished document of NGOs and the project developers. The survey of literature review are examined in order to help answer the research questions.

For field research, semi-structured interviews is used with Thai decision-makers and civil society involved in the Dawei Special Economic Zone. Interviews are conducted to determine their criteria and strategy for supporting the project, and the extent to which each dimension of Human Security is accounted for. Examples of interviewees include representative of project developer, government agencies (both Thai and Myanmar) responsible for project implementation, journalists, academia and civil society organizations working in relation to this issue as well as political society such as NLD and USDP. Local communities in villages along the Dawei Road link Transportation corridor, especially Karen villagers living along the road-link and IDP-Karen living in the areas.

### **Field research sites**

The research applied qualitative methodology based on semi-structured in-depth interviews with key informants, focus group discussions and direct field observation. Fieldwork data's collections were in Yangon, Dawei SEZ and Karen villages along the road-link corridor. During the fieldwork, the research sites were mainly in Dawei with supplementary information from key informants in Yangon. Examples of field observation and interviews included the city of Dawei, office of the Italian Thai Development PCL at the Special Economic Zone, the resettlement site of affected villagers in Bawah village, villages along the Kamoethway river valley and villages along the road-link including those from Hte Kee Border Checkpoint of Myanmar. Key informant's interviews included those who involved in or knew about the peace process between Myanmar and KNU, such as Myanmar Peace Center; civil society and media people, such as Thanintharyi Post, Dawei Development Association, Taninthayi River People Network, Karen Women's Organization and affected villagers who live along the road-link corridors both Dawei and Karen communities; business sector such as staff members of Italian Thai Company, Chairman of Tanintharyi's Chamber of Commerce; and political society such as Dawei branch's secretariat of the National League for Democracy (NLD). Details of key informants and village research sites can be obtained from the following sections of local response and interview conducts while the location of villages along the road-link will be seen through the map below.

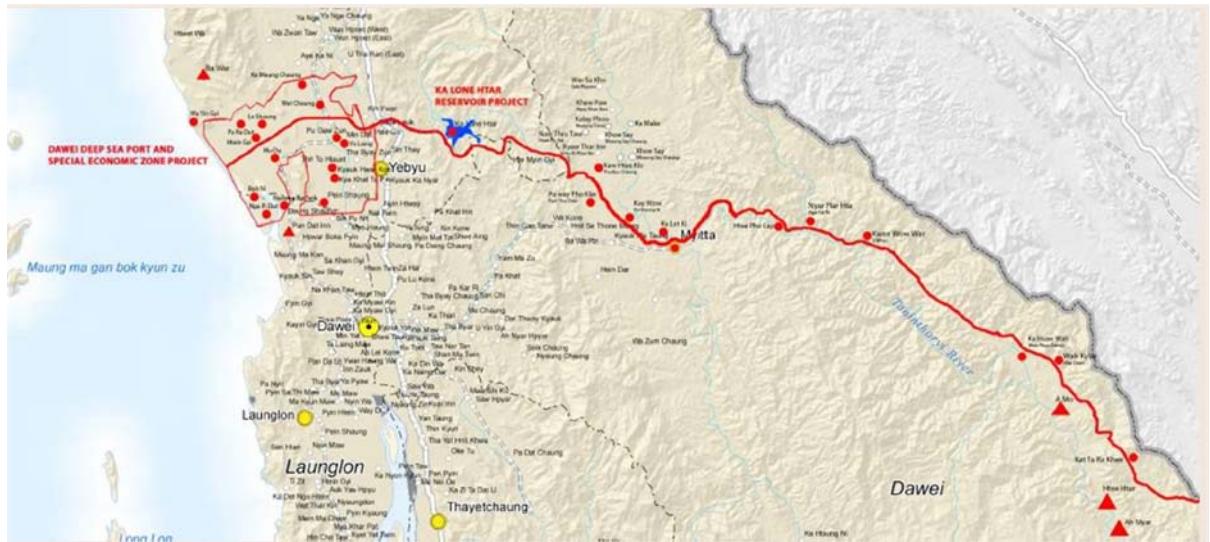


Figure: Villages along the road-link: (DDA: 2014)

Table 1: Villages and people affected by DSEZ project according to government statements 2011-2013

Village Name	Households	Families	Population	Included in official list on		
				2011	At Visitor Centre	2/12/13
1 Yalaing	348	340	1623	x	x	
2 Pagawzone	410	421	2212	x	x	
3 Thabyu Chaung	169	162	746	x	x	
4 Kya Khat Tabinin	333	320	1524	x	x	
5 Kyauk Whet Kone	205	197	1060	x	x	
6 Daung Shaung	82	101	603	x		
7 Pein Shaung	369	378	2063	x	x	
8 Kyauk Thout	196	210	1900	x		
9 Mudu	343	347	2029	x	x	x
10 Paradut	321	314	1662	x	x	x
11 Htein Gyi	415	405	2253	x	x	x
12 Min Dut	92	93	451	x	x	
13 Myo Haung	242	287	2391	x		
14 Sin Pu Net	41	49	509	x		
15 Net Twin	236	268	2668	x		
16 Mayin Gyi	136	135	821	x	x	
17 Lae Shaung	610	626	3337	x	x	x
18 Nyaung Bin Seik	52	52	328	x	x	
19 Ngapidat	18	23	145	x		
20 Wet Chaung	104	99	449		x	x
21 Kha Maung Chaung	339	335	1453		x	x
22 Thit Teo Hitouk	411	393	2111		x	
Total (22 villages)						

### Interview Conducts

<b>Date</b>	<b>Research Sites</b>	<b>Stakeholders</b>	<b>Method</b>
<i>Preliminary Fieldwork (for drafting proposal)</i>			
<b>10 OCT 2013</b>	Dawei City, Tanintharyi Region	City Livelihood	Observation
	Dawei Special Economic Zone,	Italian-Thai Development	Area Observing and Interview
	Upper Bawah Village, Tanintharyi Region	A local family at relocation site	Area Observing and Interview
	Dawei City	Dawei Development Association, Kamoethway Former Village head,	Interview
	Dawei City	Tanintharyi Chamber of Commerce and Industry, and Dawei Tourism Committee	Interview
<b>11 OCT 2013</b>	Dawei City	Local National League for Democracy (NLD) Secretariat	Interview
	Dawei City	Karen Women's Organization	Interview
	Kahlonehtar Village	Sayar Daw Pyinna Wonta, The Abbot of Dama Rakheta Temple and Local villager	Interview
	Kler Pu Village (KNU Territory)	Villagers from Kler Pu, Bha Yu Chau, Myitta and Ka Saw Wah	Focus Group Discussion (40 – 50 participants). Participatory observation
<b>12 OCT 2013</b>	Myaung Byo Village	Local communities	Focus Group Discussion 12 participants

	Ka Saw Wah Village	Local communities	Interview, Participatory observation
<b>13 OCT 2013</b>	Hte Kee Border Checkpoint	Myanmar Custom Official	Interview
<b>14 OCT 2013</b>	Yangon	National League For Democracy (NLD) Economic Committee	Group Discussion
<b>15 OCT 2013</b>	Yangon	The Voice Weekly Media	Interview
<i><b>Fieldwork and site visit</b></i>			
<b>29 APR 2014</b>	Tham Hin Camp, Suan Phueng District, Ratchaburi Province, Thailand	Local Administer, Camp Doctor, Camp Committee, Karen camp communities who flew from Myitta.	Interview and participatory observation
<b>26 SEPT 2014</b>	Yangon	Paung Ku	Interview
		Myanmar Academic Research Society (MARS)	Discussion
<b>27 SEPT 2014</b>	Yangon	Renewable Energy Association of Myanmar (REAM)	Discussion
		Former UNESCO	Interview
<b>28 SEPT 2014</b>	Thilawa SEZ, Thanlyin-Kyauktan Area, South Yangon	Local Leaders and Local Community, Villager at Relocation Site.	Interview, Focus Group Discussion, Site Observation
	Yangon	Dawei Development Association	Interview
<b>29 SEPT 2014</b>	Yangon	Representative of Land Action Working Group	Interview
		The Voice Weekly and Thanintharyi Post Editor	Interview
		Myanmar Peace Center	Interview
<b>30 SEPT 2014</b>	Yangon	Myanmar Peace Center	Interview

<b>1 OCT 2014</b>	Yangon	Rector and Pro-rectors of Yangon University	Interview
<b>21 OCT 2014</b>	National Human Rights Commission of Thailand, Bangkok	Dawei Development Association	Public Hearing
	Foreign Correspondent's Club of Thailand, Bangkok	Dawei Development Association, Local Villager from Kler Pu Village, Civil Society from Dawei, Commisioner of NHRCT, Healthy Public Policy Foundation, Kasetsart University	Press Conference
<b>5 May 2015</b>	Nyaung Done/Kler Pu Village, KNU Area, Tanintharyi Region, Myanmar	Pu, Saw Keh Doe and Saw Koo	Interview
<b>6 May 2015</b>	Thabyu Chaung Village, KNU Area, Tanintharyi Region, Myanmar	Naw Ba Ghe (a lady from Pyin Thar Taw) Naw Nya Paw (a lady from Pyin Thar Taw) Naw Kho Paw (a lady from Thabyu Chaung) Naw Si Si (a lady from Thabyu Chaung) Saw Tha Hsar (a man from Thabyu Chaung) Saw Nwe (a man from Thabyu Chaung, member of RKIPN) Saw Hsi Loo ( a man from Kyaw Htar Inn, member of RKIPN and CSLD) Pathi Law Pu ( a man from Thabyu Chaung, member of RKIPN and CSLD)	Focus Group Discussion
	Nyaung Done/Kler Pu Village, KNU Area, Tanintharyi Region, Myanmar	P'Doh Saw Thu Yeh (executive member of the KNU's Mergui-Dawei	Interview

	Myanmar	District	
<b>7 May 2015</b>	Kyaw Htar Inn Village, KNU Area, Tanintharyi Region, Myanmar	Village Chief Kyay Htin	Interview
	Kyaw Htar Inn Village, KNU Area, Tanintharyi Region, Myanmar	Pathi Law Pu and Wife	Interview
	Kyaw Htar Inn Village, KNU Area, Tanintharyi Region, Myanmar	Saw Keh Doe's Wife	Interview
<b>8 May 2015</b>	Dawei City, Tanintharyi Region, Myanmar	U Tin Hlaing Chairperson of NLD Tanintharyi Region.	Interview
	Dawei City, Tanintharyi Region, Myanmar	Ms. Aye Mon Thu of Dawei Lawyer Group	Interview
	Dawei City, Tanintharyi Region, Myanmar	Mr. Ye Htut Naing, Chairperson of Tanintharyi Region Chamber of Commerce and Industry.	Interview
<b>18 May 2015</b>	Kalone Htar Village, Tanintharyi Region, Myanmar	U Hla Shee (retired school teacher of Kalonehtar school ) Ko Soe (orchards owner) Ko Su Paing Htwe (Youth leader) Ko Thein Zaw Oo (Youth group vice chairman) Ko Thar Gyi (orchards owner)	Focus Group Discussion
<b>19 May 2015</b>	Kalone Htar Village, Tanintharyi Region, Myanmar	Ma San Htwe (Orchards owner and small merchant)	Interview
	Kalone Htar Village, Tanintharyi Region, Myanmar	U Han Htay (Village Social Leader and orchard owner)	Interview
<b>20 May 2015</b>	Pyin Thar Daw Village, KNU Area, Tanintharyi	Thara Klay May (Pastor)	Interview

	Region, Myanmar		
	Pyin Thar Daw Village, KNU Area, Tanintharyi Region, Myanmar	Saw Poe Klo	Interview
<b>21 May 2015</b>	Pyin Thar Daw Village, KNU Area, Tanintharyi Region, Myanmar	Naw Bell Kay	Interview
	Pyin Thar Daw Village, KNU Area, Tanintharyi Region, Myanmar	Naw Cho Cho (School head mistress)	Interview
<b>22 May 2015</b>	Pyin Thar Daw Village, KNU Area, Tanintharyi Region, Myanmar	Naw Htoo Ra	Interview

## **CHAPTER II**

### **Conflict Transformation and Human Security in Infrastructure Project**

In this study, we look at the relationship between conflict transformation in Myanmar and FDI in infrastructure, namely the Dawei SEZ road-link project (see Thabchumpon, Middleton and Zaw Aung 2012 for a human security analysis of the Dawei SEZ project). While Myanmar is in a process of economic and democratic transition, conflict is transforming from armed conflict to contestation over visions of development and allocation of its benefits, including access to natural resources and legitimate business opportunity. Thailand's investment in the Dawei SEZ and road-link project, on the other hand, requires a measure of political stability and a cessation of armed conflict. The project takes place in the context of a wider trend of regional economic integration under the ADB's Greater Mekong Sub-region project and ASEAN. The road-link has the potential to both bring benefits and costs, and as such is contested between actors which takes places within the broader context of Myanmar's conflict transformation.

In exploring conflict transformation, we also draw on concepts of traditional and human security to examine whose security is enhanced and whose security is weakened in the process of conflict transformation. In other words, whilst not necessarily a zero-sum game, we examine whether the process of conflict transformation is resulting in a "redistribution of security." In particular, we ask whose interests and securities are enhanced and whose are weakened?

Finally, we also consider how the intention of Karen refugees to return to their home shapes the relationship between conflict transformation and infrastructure investment. Tens of thousands of people have fled fighting over the past two decades and sought refuge in Thailand. Their intention to return home raises additional uncertainties, including whether they will be able to reclaim their past property and recover their livelihoods; in the area in the vicinity of the road-link project there are reports of large land grabs for business opportunity and people movements apparently for political gain in national elections.

The conceptual framework consists of three parts:

- A theory of conflict transformation

- A theory of traditional and human security, in the context of FDI in infrastructure
- A theory of the political economy of human security

## Conflict Transformation

Theories of conflict transformation have built upon the foundations of earlier theories of conflict management and conflict resolution (Miall, 2004). Theories of conflict transformation describes a process of transformation from “destructive conflict” to “constructive conflict” – or vice versa - where destructive conflict “*results in a more dependent and exploitative pattern of development, a distorted pattern of governance and a militarized form of politics*” and constructive conflict “*promotes legitimate decision making capacity, strengthens autonomous development and sustains civil rather than military politics.*” Conflict transformation involves transformation in: actors, including changes in internal parties, and the arrival of new actors; issues and agendas related to conflict; rules and norms governing a conflict; and structures, including relationships within a conflict and distribution of power (Vayrynen, 1991).

Contemporary conflicts are caused and resolved at multiple co-existent scales, namely: global, regional, societal, conflict party and individual elite (see Miall, Ramsbotham and Woodhouse, 1999). Important actors in conflict transformation include: states and intergovernmental organizations; development and humanitarian organizations; international NGOs; and parties to the conflict and other relevant groups within the affected society. These actors engage in a range of internal and external track I, track II and track III diplomatic processes. Whilst potentially synergistic, internal and external actors within the multiple-track process are often in tension and at crossed purposes.

Building on the work of Varynen (1991), Galtung (1996) and Lederach (1997), Miall (2004) proposes the following conceptual framework for conflict transformation (figure 1):

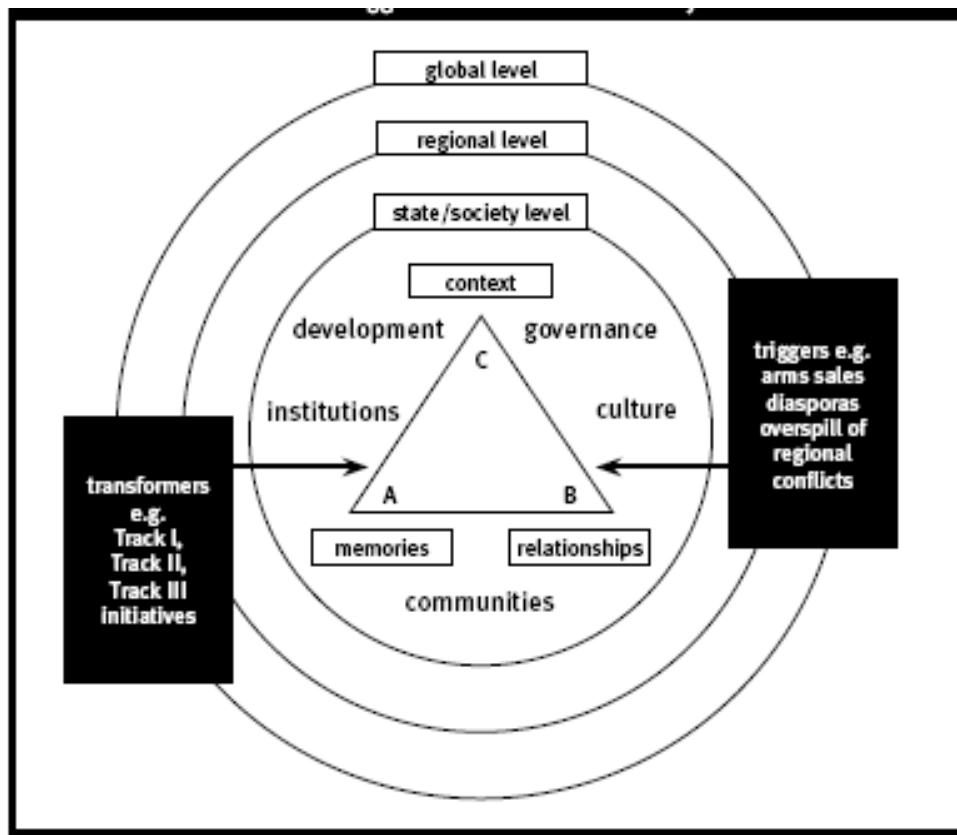


Figure 1: Triggers and transformers of conflict at different system levels

Miall (2004) identifies the following five transformers of conflict:

- *Context transformation*: Changes in the international or regional environment
- *Structure transformations*: Changes from asymmetric to symmetric relations; changes in power structures; and changes of markets of violence
- *Actor transformations*: changes of leadership; changes of goals; inter-party change; changes in party's constituencies; and changing actors
- *Issues transformations*: transcendence of contested issues; constructive compromise; changing issues; and de-linking or re-linking issues
- *Personal / elite transformation*: changes of perspective; changes of heart; changes of will; and gestures of reconciliation.

Much is nowadays written about Myanmar's conflict transformation, and about the Dawei SEI and roadlink project (see literature review above). In the context of the present project, we focus in particular on the role played by foreign investors and the construction of infrastructure as a particular dynamic within the conflict transformation process. The project seeks to understand how infrastructure development and the actors that promote or oppose it shape the broader process of conflict transformation, and are shaped by it.

## From traditional to Human Security

Theories of **traditional security** focus in particular on the interests of state as the referent object and that experiences threats to its security from other states. Maintenance of traditional security is therefore often understood in terms of realist frameworks of deterrence, containment and balance of power, military statecraft, and theories of deterrence, and can be observed in terms of territory disputes, arms races and inter-state warfare.

Traditional security - defined as protecting state sovereignty and territorial integrity from external military threat -, however, is too narrow, both for the security of the state and its population. Non-traditional security threats to the state include: economic instability; social unrest (including forced displacement); and political instability associated with environmental crises, energy shortfalls, terrorist attacks, pandemic diseases, religious differences. This has resulted in a shift in referent object from state to include individuals and group identity, and led to the emergence of the concept of **human security**.

The study will utilize the Human Security framework developed by Sen and Ogata (2003) and UNDP (1994) that considers Human Security according to the following dimensions and its indicators:

- **Economic Security** is "the condition of having a stable income or other resources (non-monetary, social safety net) to support a standard of living now and in the foreseeable future." It is measured by household income (level of income, access to social safety nets, reliability of incomes, sufficiency of incomes, standard of living) and employment (share of employed/unemployed, risk of joblessness, protection against unemployment).
- **Food security** exists when "all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" (FAO, 1996). Availability and supply of food, access to basic food, quality of nutrition, share of household budget for food and access to food during natural/man-made disasters will be used as indicators.
- **Health security** is secured when people are "protected from poor nutrition or an unsafe environment that might cause diseases or unfavorable health conditions" (UNDP, 1999). Access to safe water, living in a safe environment, risk from exposure to illegal drugs, access to housing (shelter from natural elements), accessibility to healthcare systems (physical & economic), quality of medical care, prevention of HIV/AIDS and basic awareness and knowledge on healthy lifestyles are the main measurements.
- **Environmental Security** requires "a healthy environment for ensuring one's physical well-being from environmental threats" (UNDP, 1999). Assessment of presence of

pollution of water and air, prevention of deforestation, land conservation and desertification, concern on environmental problems, ability to solve environmental problems, protection from toxic and hazardous wastes and natural hazard mitigation will be taken into consideration.

- **Personal security** demands "prevention from physical violence" (UNDP, 1999) and can be measured by fear of violence, prevention of accidents, level of crime, efficiency of institutions, prevention of harassment and gender violence and prevention of domestic violence and child abuse. • Community security means "protection from unfavorable traditional practices such as discrimination against women or indigenous groups and ethnic violence or conflicts," (UNDP, 1999). Fear of multi regional conflicts, fear of internal conflicts, conservation of traditional/ethnic cultures, languages and values, abolishment of ethnic discrimination and protection of indigenous people are the indicators.
- **Political security** is "protection of the each individual's basic human rights by the society in which they live" (UNDP, 1999). The indicators that will be measured are protection against state repression, abolishment of political detention, imprisonment, systematic torture, ill treatment and disappearance.

Sen and Ogata seek to account for the linkages between development, human rights and national security in order to strengthen "Freedom from Want" and "Freedom from Fear." Their conceptual framework for human security emphasizes a focus on both the individual (empowerment and capability) and the role that institutions play (protection and opportunity), namely:

- *Empowerment*: A bottom up approach, emphasizes empowerment through democratic processes; Developing capabilities of individuals to make informed choices and act on their own behalf
- *Protection*: A top down approach, emphasizes role of the state to manage threats beyond the individual's control (natural disaster, financial crisis, conflicts...) and good governance; State to create protective structures (norms, processes, institutions)

Whilst human security is often considered to focus on the individual, it can also be considered that ensuring human security also ensures the states own security in addition to other actors, such as local elites and businesses. We will aim to link the strengthening or weakening of various actors' security to the processes of conflict transformation and infrastructure development.

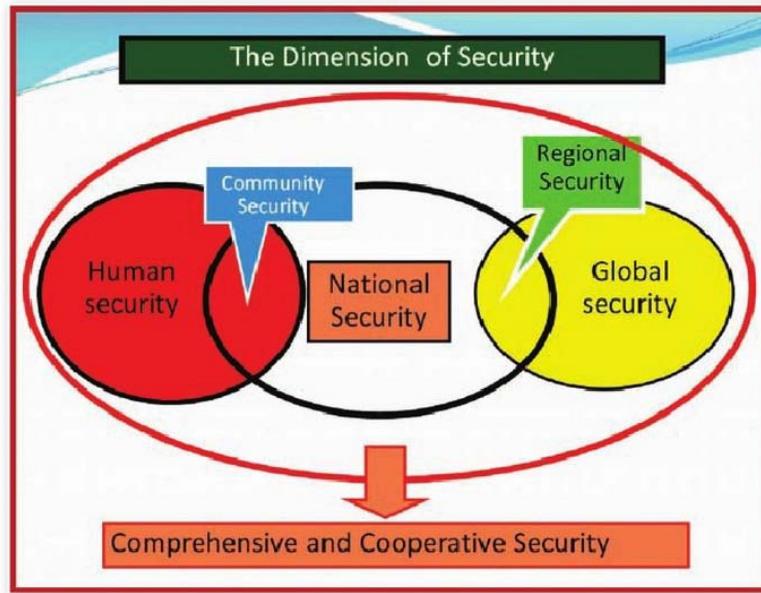


Figure: Thailand's National Security Council (2013)

From this figure above, we propose the concept of "redistribution of security" to describe how a particular actor's non-traditional security (or traditional security, in the case of the state) is enhanced or reduced relative to other actors (even if not a zero sum game) during the process of conflict transformation. For example, for a rural community, whilst personal security may be enhanced with the end of violent conflict, new competition over access to economic resources such as land or minerals enabled by the period of cessation of violent conflict may act to reduce the rural community's economic or food security - or even personal security. At the same time, elite actors, who benefit from increasing access to economic resources at the end of violent conflict, may see their economic security enhanced.

### Political Economy of Human Security

Given that there is a close connection between decisions taken in Thailand, the Myanmar government's planning and regulation, and the human security outcomes for people affected by the roadlink project, the **political economy of regional economic integration** will also be considered. Political economy framework complements the human security framework in a number of ways.

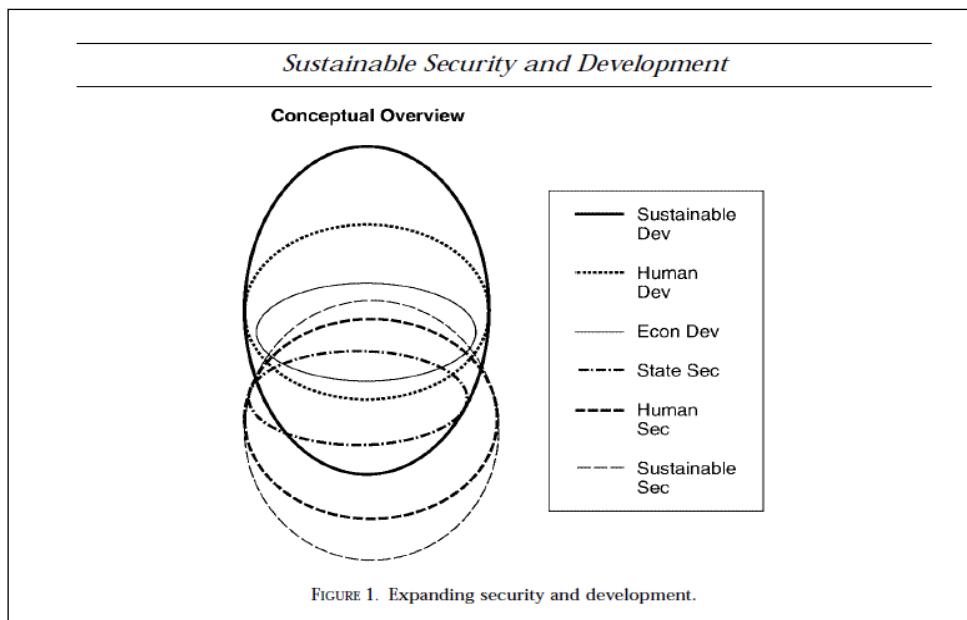
For Sen and Ogata (2003), for example, human security is freedom from want and fear. Insecurity and, therefore, fear arises out of two basic sources: 1) want, that is linked to the access to and quality of natural resources necessary to overcome hunger and deprivation

and to ensure adequate livelihood and basic welfare and 2) domination, that is exercise of exclusive decision-making powers by those with greater economic/political resources and privileged access to decision-process and whose interests may come in conflict with the interests of those with much less of both quantity and access . The possibility of such domination generates fear by threatening to deny the less privileged and formally less powerful communities their right to exercise freedom to choose between alternatives and to employ their creative capabilities of thought and action.

A Political Economy framework, therefore, carefully examines the relative bargaining capabilities of the various agencies actually engaged in or entitled to engage in the decision-making processes at local, sub-national, national and regional levels in terms of the amount and quality of political and economic resources that they can bring to the bargaining table. For that purpose it assesses the relative strengths and weaknesses of nation-states, local elites, business actors, civil societies, regional/global institutions and other relevant actors as they impact the decision-process relevant to both infrastructure development and conflict transformation.

### **Building a Sustainable Security based on Economic Development and Human Security**

Khagram et al. (2003) argue that the field of security should be broadened to a more comprehensive notion of ‘sustainable security’. Sustainable security is less anthropocentric because it values the environment in itself and not merely as a set of risks. This more expanded field facilitates critical integrations of state, human and environmental security, and parallels with the three linked pillars of society, economy and nature central to the field of sustainable development. See conceptual overview below:



Source: *Khagram et al. (2003): From the Environment and Human Security to Sustainable Security and Development*

Based on this framework, we will see where the Cross-border Economic Development Project, Human Security and Peace Building situated in this framework, highlight the correlations between each concepts and whether it is possible to accentuate a sustainable security in modern Myanmar based on Economic Development and Human Security.

## **CHAPTER III**

### **Transnational Dynamics of Myanmar and Dawei SEZ**

#### **The Reform of Myanmar's Political Economy**

Myanmar's military leadership has initiated itself to end the military rule and to introduce new political and economic reform with the establishment of the bicameral Union Parliament and elected government through the multiparty democratic election for the first time in 50 years. From a structural perspective, the first reform that Myanmar had to carry out is the reform of the governance structure. Under the new constitution, the governance structure is composed of three levels: A bicameral Union Parliament and Union Government; Regional Parliaments and Governments in the seven states and regions; and Self-administrative Zones. Furthermore, there are a number of new institutions at the union level, such as National Defense and Security Council, the Constitutional Court, Financial Commission and Election Commission. Noticeably, key steps towards political and economic reforms in Myanmar came with the inaugural speech of President Thein Sein delivered to the new parliament after electing him as President of the Republic of the Union of Myanmar on March 31, 2011. His speech was a significant departure from the discourse of the former military government. Politically, he recognized the existence of the different political groups and beliefs, and noted various skepticisms towards his new government. With a conciliatory tone towards the democratic dissidents, he called for their cooperation with the government for the benefit of the people and the nation while taking aside the differences.

On April 1, 2012, Myanmar held a by-election for the 45 vacant seats in the bicameral parliament, of which Aung San Suu Kyi and her party won 43 seats. These elections brought her for the first time to a new political position as a member of parliament in the 24-year non-violent democratic struggle in Myanmar. This is the significant achievement of the political reform done so far by President Thein Sein. However, as the current reform process is of a top-down nature with the military's stand unclear, the reforms could be reversed at any time. Of all aspects of the reforms in Myanmar, the fastest and most visible area is in the economic sector. The government has been undertaking an extensive series of economic reforms to re-engage with the regional and global economy. The government has invited the International Monetary Fund (IMF), World Bank (WB) and Asian Development Bank (ADB) to do assessments on the situation of the economy. The significant achievement of the President

Thein Sein government is to agree with the country's main debtor, Japan, to relieve about US\$ 3 billion debt owing to the Japanese government and to repay almost \$1 billion debt to World Bank (WB) and Asian Development Bank (ADB). As a result, the first ODA loan package from Japanese government was received by the Myanmar government for the first time in two decades. Moreover, the WB and ADB are preparing to resume the banks' loan schemes to Myanmar for the economic development of the country.

The government has shifted their economy concept from an agriculture-based to an industrial-based one if the country were to develop like the other newly industrialized countries in the region. Therefore, the government is currently implementing three large-scale special economic zones (SEZs) attached with the deep seaports in the country's coastal region, namely in Yangon, Tanintharyi Region and Arakan State. However, without the everlasting peace between the various armed ethnic groups and the Myanmar government, the current economic reforms will not turn the decade-long stagnant economy of the country towards prosperous growth in the next decade. Being aware of this important fact, President Thein Sein prioritized the end of the armed conflicts as one of his top policies in his presidency tenure. The Myanmar government has been speeding up the ongoing ceasefire talks with the 11 major armed ethnic groups and signed the first-step ceasefire agreement with them, except the Kachin Independence Army (KIA). After the first step of the ceasefire agreement, the government plans to take a second step of political dialogue with the groups this year.

Finally, the government plans to bring all these groups to the parliament and sign the ever-lasting peace agreement in front of the parliamentarians. Along with the peace process, the government is undergoing economic reforms and believes that if they can create new economic opportunities by transforming the conflict zones of the ethnic states into the industrial estates, it will create a lot of job opportunities, finally resulting in the end of the armed conflicts due to the improving socio-economic situation of these areas. On the other hand, there is also a raising concern toward this particular development plan which will be located in the conflict zones and could undermine the peace process.

The current government is still going on as planned in line with the positive impact of investment towards peace building and conflict transformation process. However, to meet these objectives is not that simple and needs to take several years. Two pressing issues that the government needs to address in the Thai-Myanmar border area is Internally Displaced

Persons (IDPs) and displaced people living in the camps in Thailand. In this regard, whether the Myanmar government's current economic and political reforms can contribute to finding the better solutions of the existing peace process or whether the reforms will create a more complex situation is still a big question.

### **Myanmar Government: Incentives and Strategy for Seeking Legitimacy**

Myanmar's political and economic transformation is in its fifth year since the introduction of a new constitution and the creation of a civil-military hybrid model of government<sup>1</sup> in 2011. The world has cautiously welcomed the reform from two decades military rule. It is clear, however, that is a succession of military leaders into civilian roles within parliament and within business. The most challenging issue that Myanmar's reformist government now faces is to prove the tangible results of the reform process ahead of the next election scheduled to be held in late 2015.

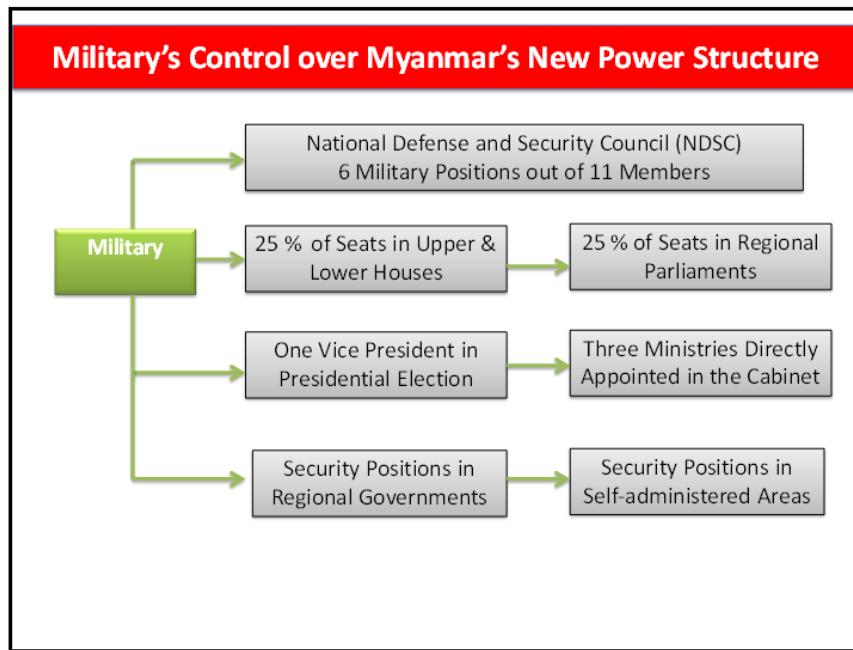
Of highest priority to President Thein Sein's agenda are national economic growth (including in border areas), together with securing a permanent ceasefire with ethnic armed groups, many of whom are located within – and control, even if under various forms of “dual government” – territories that are distant from Yangon and constitute the border with neighboring countries. States bordering with Thailand are Wa State, Shan State, Kayah State, Kayin State, Mon State and Tanintharyi Region (Burma News International, 2013).

Assessing Myanmar's current political structure, it is clear that there is excessive military control which is so undemocratic that it is hard to call the country's constitution democratic (figure 2). The military solidly controlled both legislative and executive powers, meaning that it also: has the right to nominate one of the three presidential candidate names; and to directly appoint all security positions in central, regional and sub-administrative governments. Above all, the military control the majority of seats in the country's most powerful body called National Defense and Security Council (NDSC).

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<sup>1</sup> 25% of Myanamr's parliamentary seats are reserved for representatives of the military.

Figure 2: Military's Control over Myanmar's New Power Structure



Source: Constitution of the Republic of the Union of Myanmar (2008)

Since the beginning of the five-year presidential term in 2011, President Thein Sein has made efforts to continue the failed ceasefire talks initiated by the previous military government. However, in spite of a series of talks between the government and various armed ethnic groups over the past three years, Myanmar is yet to accomplish even the first step of the three-step roadmap to peace, namely signing Nationwide Ceasefire Agreement.<sup>2</sup> President Thein Sein's approach towards the ceasefire process within the broader political arena was to delink the two, thus marginalizing democratic political groups including the National League for Democracy (NLD) led by Aung San Suu Kyi, who is also the chairperson of the Rule of Law Committee at Pyithu Hluttaw (Lower House). As a result, the military successfully marginalized the democratic political parties from the whole ceasefire process, stating that the talks were not about politics but about security matters and that it is not yet time for the political groups to enter into the process. At the same time, however, the military has not allowed the ethnic armed groups to discuss political problems in ceasefire talks, effectively silencing them in voicing their political demands in public.

<sup>2</sup> The remaining two steps of the process are: 2) solving political problems, including the constitutional amendment among the government, the political parties and the armed ethnic groups; and 3) and signing an everlasting peace agreement

According to our interviews with senior officials from Myanmar Peace Center in September 2014, there is growing pressure from the Myanmar government towards the ethnic armed groups to establish a nation-wide ceasefire agreement before the 2015 election. Those in favor of this deadline argue that it is best to secure agreement under the political certainty of President Thein Sein, rather than the next president – whoever it may be – who may have less incentive to push for a ceasefire (at least until the end of their own presidency in another 5 years' time). However, others suggest that this pressure is more in the interests of ensuring President Thein Sein's legacy, and ethnic groups should not rush into an overly compromised agreement.

The ongoing peace process in Myanmar – better understood as a process of conflict transformation – is complicated by the mixing of political and economic reforms at various scales in the country; the interrelation between the two opens both opportunities and complexities. While the government couldn't substantially move forward the peace process to date, it has pushed Myanmar's economy towards industrialization; President Thein Sein has said: "*Agricultural development alone is not enough for the country to become a developed one. So, we must turn to national industrialization to transform country into a developed, rich one with a lot of employment opportunities and high per capita income.*"<sup>3</sup> He has suggested that the lack of development in the borderland areas is one reason that prolongs the armed conflicts in Myanmar, even as the armed groups have consistently insisted that their struggles are for equal rights among all the ethnic nationalities and for self-determination. Reflecting his analysis, President Thein Sein's government has introduced new industrial zones, such as Myawaddy and Pha-an Industrial Zones in Karen State and the Dawei SEZ in Tanintharyi Region, each of which border with Thailand and are attracting the country's investments. Yet, on the side of ethnic armed groups, such as the Karen National Union (KNU), there are divisive splits as to whether economic development should be pursued parallel to a political agreement around federalism, or if a political agreement should be a precursor to permitting economic investments in ethnic territories.

The Myanmar government has also sought to cooperate with Thailand over the issues of common concern mentioned above (refugee policy; economic migrant policy; economic development at the border area). They have also requested cooperation on other issues of concern to them, including preventing ethnic armed groups from seeking refuge in Thailand

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<sup>3</sup> The New Light of Myanmar, Vol. XVIII. No. 344, p 1 – 3 (March 31, 2011)

at times of conflict, and also addressing cross-border arms trade from Thailand to the ethnic armed groups.

In summary, President Thein Sein is yet to demonstrate definite success in his reform endeavors for Myanmar including constitutional amendment, peace talks with armed ethnic groups, and economic reforms in terms of industrialization. He has won international support to some extent for Myanmar's peaceful transformation from repressive military rule to an increasingly liberalized governance structure, but it is difficult to claim that it is democratic yet. Thus, 2015 – Myanmar's election year – is a key deadline for claiming legitimacy of his term, which will be judged by the sufficient completion of his reform agenda, many of which are linked to Myanmar's borderlands with Thailand.

### **Cross-border Economic Development and Foreign Direct Investment in Myanmar**

The reforms which have been undertaken by the government and new investment law attract foreign investors to come to Myanmar. However, the liberalization process needs transparency and accountability to avoid future conflict based on resource grabbing and discrimination to the ethnic minorities and violations to human rights.

The idea of cross-border investment revolves around the changes that are ongoing in Myanmar, such as the new investment law, and investments themselves, such as the Dawei Special Economic Zone. To understand cross-border investment we have to consider many dimensions and indicators to achieve a mutual win-win situation for both the investing and the host countries. Japan Overseas Development Cooperation (JODC)'s report (AMEICC 2012) suggests that Myanmar may become very attractive for cross-border investment based on several advantages: *a.) Gateway link to Asia, b.) Largest country of the mainland SE Asia, c.) Enormous untapped natural resources, d.) Huge potential energy sources, e.) Long coastline, f.) Transport linkages, g.) Arable land, h.) Economical Human Resources, i.) Huge potential domestic market, j.) Good prospects for tourism, k.) Room for much development, and l.) Bonding of diverse cultures and religions.*

The apparent attractiveness of traits of Myanmar are also supported by the increasing numbers of FDI since the political reform until now. Table 1 shows the data of foreign investment in Myanmar until February 28, 2012 (Weekly Eleven, 2012). It shows that Thailand is Myanmar's second largest investor, after China.

Table 1: Top 6 Investors in Myanmar (2012)

Country	No. of Companies	Value (Million US Dollar)
China	33	13,947.146
Thailand	61	9,568.093
Hong Kong	38	6,308.495
South Korea	49	2,941.289
United Kingdom	51	2,660.588
Singapore	72	1,804.013

*Source: Weekly Eleven Myanmar, 2012*

Industrialization through cross-border investment seems to be important for development, however it is not the panacea for all problems; although it creates wealth, it also causes many problems. Cross-border investment could be a major positive force which leads to peace and development if the process is carried step by step in a fair, transparent and participatory manner. On the other hand, if it is conducted in an un-transparent and unaccountable manner, it will lead to unfair economic liberalization that could also undermine the peace building process. As iterated by President Thein Sein on March 28, 2013 “Our country needs investment, technology and human resources to establish factories and industries that provide jobs. Foreign investment is required to meet our country’s needs, but this foreign investment need not hurt the interests of the people and the state,” (Eleven Media Group, 2013). This commitment has been emphasized again, although whether it will be fulfilled in practice remains to be seen.

### **Economic, Trade, and Investment in Myanmar**

Based on a study conducted by Siam Commercial Bank (SCB: 2012) presented at *SCB Conference 2012 “Myanmar: The New Frontier Market.”* It shows that one of many concerns investors have when considering to invest in Myanmar is risk management in the sense that there are controllable risks and uncontrollable risks. In this case the uncontrollable risk is political risk. The fact that Myanmar had been put under military junta for 48 years (from 1962-2010) could raise question of whether the country would return to previous condition or prosper as a fully democratic country. This affects investors’ confidence, even though the country has rapidly reformed its political and economic structures which would

make the possibility of the country moving backward to authoritarian state becomes less likely.

However, the country's current economic performance shows continuing improvement with investor-friendly atmosphere resulted from political and economic reform since 2010. The reform led to 3 economic and political changes: decline in political instability and conflicts with minorities; reconnection with western countries which helps improves relations between Myanmar and international organizations along with Western countries; and reform in trade regulations, finance and investment as well as policies that encourage foreign investment. These factors can boost investors' confidence and investment possibility in the country.

### **Evolving relations between Thailand and Myanmar**

Myanmar is an ethnically diverse country, which two-thirds belonging to the Burman ethnic group while the remainders are from over 100 different ethnic groups, of which the largest are the Shan, Karen, Kachin, Karenni, Chin, Mon, and Rakhine (DFID, July 2008). Among these ethnic groups, the Karen has remained very porous, as neither the Thai nor the Myanmar military have been able to enforce strict control over its 1800km length (Brees, 2008). Due to the strategy of "Four Cuts" (food, funds, intelligence, and recruits) and the application of military power against ethnic demands for self-government, the Myanmar military forced the insurgents to the hills and border areas which separate Myanmar and its neighboring states including Thailand, China and Bangladesh (Grundy-Warr, Rajah, Elaine, & Ali, 1997). The first major military offensive against the Karen camps along Thai-Myanmar border was in 1984, resulting in the first wave of Karen refugees fleeing to Thailand. The Myanmar military accelerated its Four Cuts campaign through to 1990, and the KNU lost many bases, leading to a large-scale displaced movement and a series of temporary shelters along the Thai-Myanmar border (Grundy-Warr et al, 1997). Until now, displaced persons, mostly Karen, living in nine temporary shelters set up by the Thai government with support from UNHCR and INGOs along the Thailand-Myanmar border were estimated around 150,000 people (TBBC, 2014).

During the time, according to Loescher et al, (2008), Thai military provided covert support to the Karen National Union (KNU) and other ethnic groups at first, permitting insurgent groups to administer "liberated zones" along the border as a buffer between the

fighting in Myanmar and the western border of Thailand. Inside Thailand, the temporary shelters provided a civilian support base for the insurgent armies and a source of recruits and safe haven for the armed groups. In effect, the Thai army used displaced settlements and temporary shelters to support the resistance struggles and to control Myanmar. However, the Thai government always denies this claim and argues that the idea of using ethnic armies to fight against Burmese government was an old idea that Thai never supported as it doesn't benefit Thailand but affects the country negatively in various ways such as illegal trades, logging and trafficking as well as creates distrust between governments (interview with NSC and MOFA). Since 1990s, the formalization of economic relations between Myanmar and Thailand was seen as a key factor of changing geopolitics approach resulting in the weakening of ethnic armed groups including KNU. With the end of the previous buffer area between Thailand and the Tatmadaw, and the clear and present danger created by the cross-border attacks, the Thai government began a series of shelter consolidations to help control the security situation. On the Myanmar side, from the early 1990s onwards, the Myanmar government began to negotiate ceasefires with many of the armed opposition groups or with factions within them (DFID, July 2008). Some ethnic armed groups reached a ceasefire agreement with the Myanmar military; others, such as the KNU and the Shan State Army (SSA), were still fighting (Kipgen, 2008), though both the KNU and the Karen National Progressive Party (KNPP) have had temporary ceasefires (KHCPS, 2006; Kantarawaddy, 2007), for instance in 2004 when UNHCR want as far as planning for voluntary repatriation in the hope for peace at the time.

Based on economic policy, Thailand has evolved from Myanmar's foe to the country's second largest investor. Since Myanmar began practicing a market-oriented economy in 1989, Thailand has become a major trade and investment partner with the country. Thai businessmen were among the first foreign investors to win lucrative business concessions to extract teak and other hard woods from the almost unexploited forests near the Thai-Myanmar border. At the same time, Thailand also gained concessions to extract marine resources from the abundant fishery reserves along the Andaman coastline of the country. The volume of border trade between Thailand and Myanmar has gradually increased. Then, when Myanmar discovered a large natural gas reserve in the Gulf of Martaban and Bay of Bengal in the mid1990s, Thailand biggest public petroleum company, PTT Exploration and Production PCL, became a major investor in exploring and importing natural gas from Myanmar. Among foreign direct investment countries, Thailand is the second largest foreign

direct investor into Myanmar after China, investing US\$9,568.093 million or 24% of the total FDI according to statistics issued by the Myanmar government. In Myanmar, the top three sectors attracting FDI are hydropower energy, oil and gas, and mining, which constitutes 89% of the country's total FDI. Thailand's FDI in to Myanmar is also mostly invested in these three sectors. Furthermore, if the proposed mega project of the Dawei Deep Seaport and Special Economic Zone fully materializes with the FDI from Thailand in the near future then the two countries' economic cooperation will reach a new strategic level with deep economic and political significance for the region.

Even under the Thai military government, General Prayut has been firm on launching not only Dawei SEZ, but also other 6 Special Economic Zones: Sadao district in Songkhla bordering Kedah state in Malaysia; Muang district in Mukdahan, opposite Laos' province of Savannakhet; Aranyaprathet district in Sa Kaeo, opposite Banteay Meahchey in Cambodia; Mae Sot in Tak province, opposite Mandalay in Myanmar; and the last one will be established in Nong Khai. His first overseas trip as a Prime Minister of Thailand to Myanmar was in October, 2014 where Prayut made pact with Myanmar's President, Thein Sein, to efficiently regulate labor force and make labor registration process more efficient in Thailand. As well, both leaders agreed to better regulate border areas and deepen their cooperation on border related issues, including illicit drugs, formal and illegal migrant labor. They labelled this cooperation as "partnership matters for security and development". In short, the two leaders appeared to agree that developing the border area's economies and better regulating migrant labor, would both strengthen security and development of the two countries. With all economic prosperities that Thailand expects to see once the SEZ is completed—as well as once the opening of AEC is in place—the country has faced several challenges due to its practice toward human right issues, especially its operation on migrants. To elaborate, the process of repatriation of Myanmar refugees who have lived in refugee camps in Thailand in recent decades has been put into a limbo though the two governments already agreed to facilitate "safe return" of the refugees in accordance with human rights standards (UNHCR 2014).

## **Border and Cross-Border Activities**

Perkmann and Sum (Perkmann & Sum, 2002) define a cross-border region as a territorial unit that embraces subnational units from two or more nation states. As border

regions have faced development, especially economic development, they become strategic objectives to various social forces within and beyond the border regions. In other words, cross-border regions and their development can be managed as part of regional strategy to seek out interregional cooperation between neighbor countries as well as to increase national economic growth through trade, investment, and employment.

Apart from that, Pitch Pongsawat argues that cross-border activities can be ranged from diverse forms of movements and transactions along the borders where there might be different sets of policies issued by governments of both sides play their parts in people's lives differently (Pongsawat, 2007). This is very relevant nowadays, particularly because of the opening of Phu Nam Ron – Htee Kee check point allows Myanmar border-pass holder to cross to Kanchanaburi and Thais to cross to Tanintharyi and to Dawei encouraging these kinds of movements and transactions of services and goods.

### **Bilateral Interests**

Cross-Border Economic Development project cannot be separated with bilateral interests of these two countries, respectively, Myanmar and Thailand. Pavin Chachavalpong (2011 and 2012) identifies stakeholder's interest toward this project. They are: Myanmar Government, Thai Government, and Thai Private Sectors.

For Myanmar government has given a green light to Dawei Special Economic Zone to Thailand, for which the Italian-Thai Development Public Company Limited (ITD) is a major contractor. The first-phase contract for the 10-year project is worth an estimated \$8.6 billion. All in all, the entire project could be worth US\$58 billion or more. The role of Thailand in Myanmar's transition is therefore crucial. For Thailand, Dawei will serve both the national interest and the private sector. There is nothing new in Thailand downplaying democratic development in Myanmar for the sake of Thai economic benefit. The Thai government has promoted Dawei as part of the national interest, despite Western skepticism about Myanmar. The West is coming around to accepting that change in Myanmar may be real (Chachavalpong, 2011).

He also argues that, so far, it seems that Thailand stands to gain the most from the Dawei project. Thai-Burmese border trade has been increasing at an astonishing 55 per cent year-on-year over the past five years, and was worth some US\$1.7 billion in 2010.

Undoubtedly, the Dawei project will lead to further growth in the total trade volume between the two countries. Moreover, ITD's investment in Dawei is likely to transform Thailand into a major transit hub within the East-West Economic Corridor (Chachavalpongpun, 2012).

Two Thai Prime Ministers paid briefs visit to Myanmar in October 2011 and October 2015 respectively and met with President Thein Sein, clearly looking to reinforce the DSEZ. During the visit they expressed Thailand's continued support for the Dawei project and increased cooperation with Myanmar. The Dawei project would allow Thailand and Myanmar to meet this target and, further, the deep-sea port could see Thailand realize its aspiration to become the logistics hub of Southeast Asia.

The Thai private sector will also profit from Dawei, and this will likely intensify Thai economic influence in Myanmar over the long term. Potentially lucrative deals have attracted other big conglomerates in Thailand to also pour money into the project. For example, Thailand's oldest and largest trading business, Loxley Public Company Limited, sent a team to Dawei in April 2011 to assess the project's feasibility. The company has expressed interest in power transmission lines and oil and gas terminal projects. Other Thai companies are currently negotiating prospective investments in Dawei's second and third development phases. In the end, it is possible that the Dawei port project will be used to further legitimise Myanmar's new regime and its embrace of capitalism and regional integration (Chachavalpongpun, 2012).

### **Situation of refugees from Myanmar**

Political and ethnic conflicts within Myanmar have created large-scale displacement of a broad mix of ethnic groups across the border into Thailand. Beginning with initial displacement flows in 1984, registered and unregistered displaced persons in the 9 temporary shelters along the Thai-Myanmar border now form the largest protracted refugee situation in East Asia. (Adelman, 2008) The registered population in the temporary shelters as of June 2012, as recognized by the MOI/UNHCR, is 85,876. However, there were 135,619 total residents in the shelters receiving food rations as of that date, thousands of whom have yet to receive an official status determination. (TBBC, 2012)

Recent political developments within Myanmar have been a source for optimism that a potential breakthrough in this protracted displacement could be ending. UNHCR has been

active in seizing upon these unprecedented changes within Myanmar by seeking out and exploring the opportunities for new durable solutions to be implemented. In conjunction with increasing dialogue with the key stakeholders involved, a “Framework for Voluntary Repatriation” was recently drafted with the purpose of initiating a “forward planning process that can be elaborated upon as the situation in Myanmar evolves and as more information becomes available to the humanitarian community” (UNHCR, 2012, p. 2).

Despite the positive developments within Myanmar, readiness for the repatriation of the refugees living in the border camps must be considered carefully and cautiously. UNHCR has stated that repatriation must be a voluntary movement that is accompanied by a national reconciliation process. For the time being in the Thai case, representatives of the Royal Thai government (RTG) continue to make statements which can be interpreted as indicating that they are not planning to close the temporary shelters or repatriate the refugees in the immediate future despite the positive developments within Myanmar. At the same time, significant changes in the RTG’s policies towards refugee integration have also not taken place while the status quo will likely continue for the period of time.

### **Thai Trade and Investment Role in Myanmar Transitional Economy**

Since Myanmar began practicing a market-oriented economy in 1989, Thailand has become a major trade and investment partner with the country. Thai businessmen were among the first foreign investors to win lucrative business concessions to extract teak and other hard woods from the almost unexploited forests near the Thai-Myanmar border. At the same time, Thailand also gained concessions to extract marine resources from the abundant fishery reserves along the Andaman coastline of the country. The volume of border trade between Thailand and Myanmar has gradually increased. Then, when Myanmar discovered a large natural gas reserve in the Gulf of Martaban and Bay of Bengal in the mid1990s, Thailand biggest public petroleum company, PTT Exploration and Production PCL, became a major investor in exploring and importing natural gas from Myanmar.

To obtain the actual data of the trade between the two countries from the side of Myanmar is very difficult as Myanmar practices various foreign exchange rates, and what is especially problematic is that the government’s official exchange rate has been much lower than the real market rate. However, the government recently started to introduce the managed float of the exchange rate in April that reflects the market price. Table 1 and 2 summarize the

import-export value between Thailand and Myanmar over the past eleven years using the data of the Customs Department of Thailand, which recorded the import-export value of the two countries on the basis of calendar year. This is different from the Myanmar statistics, which records economic data based on the country's fiscal year that starts on the 1<sup>th</sup> April of each year and ends on the 30<sup>th</sup> of March in next year. These figures mostly reflected the border trade officially passing the Thai customs department, but the unofficial border trade figures are believed to be significantly greater although due to the nature of this trade there is a lack of actual data to validate this.

Even based on the official statistics, trade between the two countries has increased in the past ten years. Thailand's main import item from Myanmar is natural gas, which constituted 90% of the total import value; as a result, the Myanmar government earned more than US \$2 billion per year over the past six years and this increased to more than \$3 billion in 2008 and 2011. Likewise, Thailand's top export earning was petroleum oil though the export items have been more diversified in kind and the values have been evenly distributed in each item.

**Table 1: Thailand's Import Value Trading with Myanmar (2001 -2011)**

Year	THB-US\$* Exchange Rate	CIF (THB) (All Items)	CIF (THB) (Gas Only)	CIF (US \$) (Gas Only)	% of Gas Sale
2001	\$1 = 43.00	35,789,673,029	28,888,386,599	671,822,944	80.72
2002	\$1 = 43.00	38,923,521,712	31,741,562,267	738,175,866	81.55
2003	\$1 = 41.53	37,213,471,890	29,393,441,465	707,764,061	78.99
2004	\$1 = 40.27	54,518,784,752	43,471,944,438	1,079,511,905	79.74
2005	\$1 = 40.27	71,915,931,550	60,085,625,312	1,492,069,165	83.55
2006	\$1 = 37.93	88,705,740,869	76,446,181,276	2,015,454,291	86.20
2007	\$1 = 34.56	79,992,859,159	71,922,427,574	2,081,088,760	89.91
2008	\$1 = 33.36	112,426,003,196	103,880,553,254	3,113,925,457	92.40
2009	\$1 = 34.33	95,975,915,242	87,644,323,375	2,552,995,246	91.40
2010	\$1 = 31.73	90,000,451,056	82,975,992,515	2,615,064,371	92.20
2011	\$1 = 30.49	99,725,430,586	93,821,035,484	3,077,108,412	94.08

**Table 2: Thailand's Export Value Trading with Myanmar (2001 – 2011)**

Year	US\$ - THB* Exchange Rate	FOB (THB) (All Items)	FOB (THB) (Fuel Oil Sale)	FOB (US \$) (Fuel Oil Sale)	% of Fuel Oil Sale
2001	\$1 = 43.00	15,639,587,129	948,985,286	22,069,425	6.07
2002	\$1 = 43.00	13,602,269,761	825,515,940	19,198,045	6.07
2003	\$1 = 41.53	18,143,686,667	1,137,418,162	27,387,868	6.27
2004	\$1 = 40.27	24,241,973,300	1,469,209,826	36,483,979	6.06

2005	\$1 = 40.27	27,996,329,854	3,520,964,689	87,433,938	12.58
2006	\$1 = 37.93	28,699,602,989	4,850,392,004	127,877,458	16.90
2007	\$1 = 34.56	32,919,283,545	5,213,669,816	150,858,501	15.84
2008	\$1 = 33.36	43,840,707,157	7,967,512,492	238,744,379	18.17
2009	\$1 = 34.33	52,642,081,617	9,390,118,030	273,525,139	17.84
2010	\$1 = 31.73	65,631,180,240	10,426,475,533	328,599,922	15.89
2011	\$1 = 30.49	85,877,142,849	12,492,560,567	409,726,486	14.55

**Table 3: Top Ten Items of the Trade between Thailand and Myanmar (2007 – 2011)**

No	Import Items	Export Items
1	Mineral Fuel Oil Wax	Mineral Fuel Oil Wax
2	Wood & Article	Machinery and Mechanical Appliances
3	Fish Crustacean Mollusc	Beverage Spirit Vinegar
4	Copper & Article	Vehicle
5	Edible Vegetable	MISC Edible Preparation
6	Ores, Slag and Ash	Plastics and Articles
7	Live Animal	Electrical Machinery and Equipment
8	Furniture, Lamps, Prefabricated Buildings	Salt Sulphur Earth Cement
9	Product of Animal Organ	Iron and Steel
10	Edible Fruit and Nut	Animal or Vegetable Fat & Oil

Source: Customs Department of Thailand<sup>4</sup>

\*Exchange Rate: Bank of Thailand<sup>5</sup>

The flow of goods from Myanmar to Thailand has often fluctuated over the past five years, while the goods flowing into Myanmar from Thailand has remained relatively stable and steadily increased. As summarized in table 3, Thailand has mainly exported machineries, vehicles, plastics, household goods and construction materials such as iron, steel and cement to Myanmar, while Myanmar has mainly exported wood products, marine products, minerals, vegetable and fruits to Thailand. A research report entitled “*Study to formulate a Master Plan on Industrial Linkage between Thailand and Myanmar*,” published in March 2005, and conducted by the Myanmar Marketing Research & Development (MMRD)<sup>6</sup> analyzed the import-export situation between Thailand and Myanmar, based on the figures of Thai Customs Department in 2004. It said: “Thailand’s exports to Myanmar reached over US\$ 600,000,000 between January and December 2004. They are more varied in terms of types of items (95 categories vs 75 categories for Myanmar’s exports to Thailand) and are more evenly distributed among the various categories while Myanmar’s export items to Thailand

<sup>4</sup> <http://www.customs.go.th/wps/wcm/connect/custen/home/homewelcome>

<sup>5</sup> <http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=123&language=eng>

<sup>6</sup> The report was commissioned by the Japan Overseas Development Corporation (JODC) Bangkok Office for the AEM-METI Economic and Industrial Cooperation Committee (AMEICC)

leans very heavily on one category. Many of these products came through the borders” (AMEICC: March, 2005).

At that time, the report also analyzed the relative size of the two economies as follows: “Thailand compared to Myanmar has 8 times greater GDP, 40 times more exports and imports, produces over 20 times more electricity. Inflow of tourist is 160 times higher and average wage is 18 times more. In all aspects of economic indicators Thailand has a far superior value.” Currently, Thailand is the second largest foreign direct investor into Myanmar after China<sup>7</sup>, investing US\$9,568.093 million or 24% of the total FDI according to statistics issued by the Myanmar government.

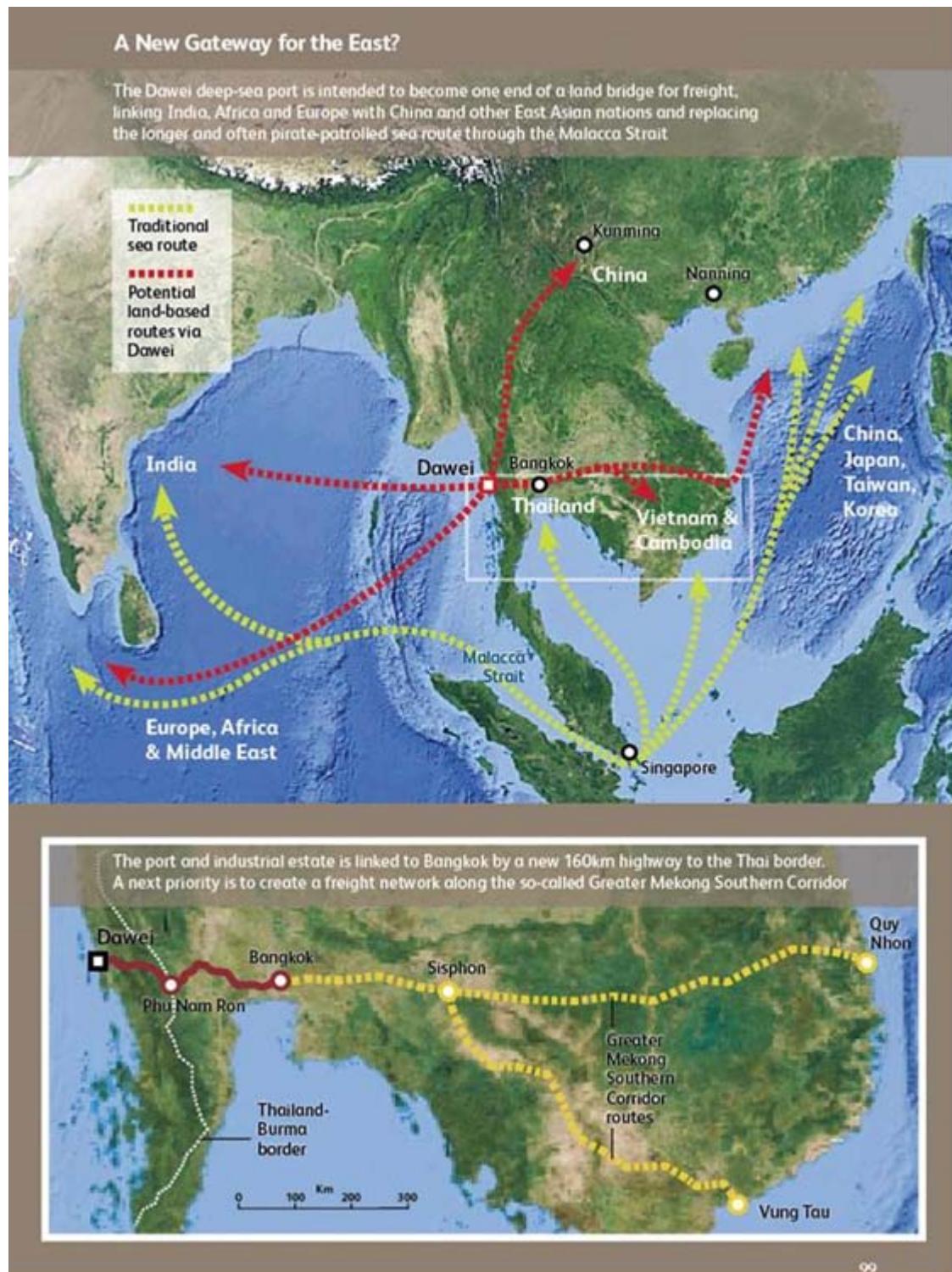
In Myanmar, the top three sectors attracting FDI are hydropower energy, oil and gas, and mining, which constitutes 89% of the country’s total FDI. Thailand’s FDI in to Myanmar is also mostly invested in these three sectors. Furthermore, if the proposed mega project of the Dawei Deep Seaport and Special Economic Zone fully materializes with the FDI from Thailand in the near future then the two country’s economic cooperation will reach a new strategic level with deep economic and political significance for the region.

### **Dawei Roadlink Project: Interconnections between Thailand and Myanmar and Beyond**

Among the SEZ plans, the Dawei SEZ is a bilateral government-to-government project between Thailand and Myanmar. During the 2012 official visit to Thailand, Myanmar President and Thai’s Prime Minister singed a new Memorandum of Understanding, which broadened the involvement of the two governments in all aspects of the project. It went beyond the previous MoU signed in 2008, when the project was principally led by the Ital Thai Development Corporation, in which the Thai government only committed to building the deep seaport and a cross-border highway connecting it to the border. The new Dawei SEZ and roadlink project stretches 132 km from Dawei to Phu Nam Ron checkpoint, connects 80 Km to Kanchanaburi interchange before continues another 95 Km to Bang Yai Interchange to Bangkok. The roadlink is also a component of various plans for cross-border infrastructure connectivity in SE Asia.

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<sup>7</sup> [http://www.weeklyeleven.com/index.php?option=com\\_content&view=article&id=12843:2012-03-18-07-52-57&catid=99:2011-04-10-07-08-41&Itemid=174](http://www.weeklyeleven.com/index.php?option=com_content&view=article&id=12843:2012-03-18-07-52-57&catid=99:2011-04-10-07-08-41&Itemid=174)



Source: East Asia Forum, 2012

Briefly, the project was conceived to host: a 56-berth large deep seaport capable of handling large cargo vessels up to 300,000 DWT and LNG terminals; an SEZ area of 204.5 km<sup>2</sup>; and a 160-km eight-lane highway connecting Dawei and Kanchanaburi, which would link into the “Asia Highway Network (AHN).” The total cost of the project was anticipated

to be US\$50 billion (DDA, 2014). The Dawei project was to be the western gateway of Thailand to the Indian Ocean, and a strategic component of “the Master Plan on ASEAN Connectivity,” including constituting a “land bridge” called the Southern Economic Corridor (SEC) under the Greater Mekong Sub-region (GMS) project.

Despite having a strategy of “catching a tiger with empty hands”, it proved that ITD was too ambitious in its belief that it could develop the project, and within a couple of years the project was stalled. ITD failed to attract any major strategic partner to invest during the Bangkok Road Show<sup>8</sup> and Tokyo Road Show<sup>9</sup>. At the beginning, the Thai government and ITD had expected to attract Japanese investors and Japan’s government, but they proved that they were more interested in the Thilawa Deep-seaport and SEZ located nearby Yangon<sup>10</sup>.

Furthermore, Myanmar’s political transformation and leadership change in 2011 significantly stalled the DSEZ implementation. The DSEZ was reviewed by Myanmar’s new government and reoriented to become a Government to Government (G-to-G) project, rather than letting ITD alone handle the whole project. The project thus became a semi (state-private) public enterprise under the title as special purpose vehicle (SPV).<sup>11</sup> Under the SPV, both Thailand and Myanmar governments share responsibility to develop the project by 2020.<sup>12</sup> The two governments formed two levels of joint committee – the Thai-Myanmar Joint High-Level Committee (JHC) and the Thai-Myanmar Joint Coordinating Committee (JCC)<sup>13</sup> - to oversee the overall project after re-signing a new “MoU on the Comprehensive Development in the Dawei Special Economic Zone and its Related Project Areas”<sup>14</sup> during President Thein Sein’s official visit to Thailand in July 2012.<sup>15</sup> The arrangement with the KNU, through whose territory the access – and perhaps ultimately the 8 lane road-link – passes is less clear.

<sup>8</sup> Bangkok Road Show: [http://daweidevelopment.com/images/stories/news/Events/BKK\\_Road\\_Show.pdf](http://daweidevelopment.com/images/stories/news/Events/BKK_Road_Show.pdf)

<sup>9</sup> Tokyo Road Show: [http://daweidevelopment.com/images/stories/news/Events/Japan\\_Road\\_Show\\_June2011.pdf](http://daweidevelopment.com/images/stories/news/Events/Japan_Road_Show_June2011.pdf)

<sup>10</sup> The Japanese government started to give Oversea Development Assistance (ODA) loans to the Government of Myanmar for the Thilawa project in 2013

<sup>11</sup> See more information in <http://consult-myanmar.com/tag/special-purpose-vehicle/>

<sup>12</sup> According to SPV subcommittee, the ITD would still be allowed to continue participating in the project in the future after a re-evaluation of the investment as well as a due diligence audit on the work completed by ITD before other investors could be invited to participate in the project. From the SVP’s perspective, the DSEZ will continue with the idea of downsizing of the deep sea-port and restructuring the planning of the SEZ from heavy petrochemical industries to be friendly to the environment and local communities. On the road-link corridor, however, a cross-border highway being seen as the Asia Highway Network (AHN) remains unchanged.

<sup>13</sup> <http://www.thaigov.go.th/en/news-room/item/73911-thailand-myanmar-to-expedite-the-development-of-dawei-project-with-an-aim-to-upgrade-economic-and-social-development-both-in-the-local-and-regional-levels.html>

<sup>14</sup> <http://www.thaigov.go.th/en/news-room/item/71001-prime-minister-and-president-of-the-republic-of-the-union-of-myanmar-declare-success-in-discussions.html>

<sup>15</sup> <http://daweidevelopment.com/index.php/en/introduction>

Thailand's military government has allocated staff from the National Economic Social Development Board (NESDB) to work out under the SPV structure. From the NESDB's perspective, the Dawei Project could reap enormous benefits for both Thailand and Myanmar if all the relevant stakeholders carried out the project in a transparent and accountable manner.

In addition to plans to list the SPV on the Stock Exchange of Thailand, and later on the Stock Exchange of Myanmar once it is created in 2015, the two governments agreed to invite ITD and Japan's Ministry of Economic, Trade and Industry (METI) for selective bidding for developers and investors in the project. This time, Italian-Thai Development PCL (ITD) formed as "ITD Consortium"<sup>16</sup> with Rojana Industrial Park PCL, Electricity Generating PCL (EGCO) and LNG Plus International Company Limited (LNG Plus) contested the bid. The ITD consortium won the bid as developer to develop the initial 35 sq. km out of the 196 sq.km in the DSEZ. According to *Prachachat News*, the ITD Consortium will sign a new contract in December 2014 and the implementing will take 5 years from 2015-2020<sup>17</sup>.

The involvement of Japan is potentially a key figure to financing the project. Whilst initially hesitant, there are some reports that the Japanese government now has interest in trilateral ownership of the Dawei SEZ and road link project, including a recent courtesy call in October 2014 to Prime Minister Prayuth by a senior Japanese delegation (Jikkham, 2014), and delegation visits to the project in November 2014 where it was announced they would invest in "the second step" (Eleven Newspaper, 2014). Others, however, doubt Japan's present commitment; Author Wai Yan Maung, probably a pseudonym of a senior government official taking part in the DSEZ, identified of all the risks in the project, the most sensitive is the political risk as both countries had announced to hold national elections in the 2015/16 which could affect both countries' existing economic policies (Maung, 2014)<sup>18</sup>.

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<sup>16</sup> Myanma Alin, Vol. 54, No. 53, p 6 (November 22, 2011)

<sup>17</sup> This phase will construct the industry estate and basic infrastructure such as small port, power plant, two-lane road, reservoir, and telecommunication system, at a cost of US\$8 billion.

<sup>18</sup> Wai Yan Maung wrote a long article detailing the project's latest information in the state-run newspaper *Myanma Alin* and analyzed that the reasons that the DSEZ was delayed were 1) giving a concession to a single company, namely ITD; 2) the huge infrastructure investment cost that neither a country or a financial institution can lend; 3) the reluctant of other private financial institutions to invest in a developer company that didn't get the government support fully; and 4) the international economic sanctions on Myanmar despite of some removals due to the governance reforms (Maung, 2014)

**Table 1: The Chronology of the Political Economy in Myanmar alongside the Progress of Dawei SEZ and Roadlink Project**

Political Economy in Myanmar	Progress of Dawei SEZ and Roadlink
<ul style="list-style-type: none"> <li>■ <b>September, 2007:</b> Saffron Revolution</li> <li>■ <b>May, 2008:</b> Cyclone Nargis</li> <li>■ <b>May, 2008:</b> Constitutional Referendum</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>May, 2008:</b> MoU between Myanmar and Thai governments</li> <li>■ <b>June, 2008:</b> MoU between ITD and MPA</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>November 7, 2010:</b> The First Election in Myanmar in 20 Year</li> <li>■ <b>January 27, 2011:</b> The DSEZ Law was enacted two months before the military government dissolved itself.</li> <li>■ <b>March 30, 2011:</b> A new government took the state power.</li> <li>■ <b>August 19, 2011:</b> The meeting between President U Thein Sein and Daw Aung San Suu Kyi turned out as the beginning of the country's transition to democracy.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>November 2, 2010:</b> Signing a Framework Agreement between ITD and MPA.</li> <li>■ <b>2011:</b> ITD drafted the DSEZ law, citing to Kriangsak Teerakowitkajorn, a researcher from Thammasat University.</li> <li>■ <b>June, 2011:</b> ITD held two Road Show on Dawei project in Bangkok and Tokyo</li> <li>■ <b>September 16, 2011:</b> ITD registered DDC in Myanmar, holding 75% share + 25% share reportedly from Max Myanmar Group</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>December 15, 2011:</b> DDA rejected coal-fired power plant construction in Dawei.</li> <li>■ <b>January 7, 2012:</b> Ministerial Meeting in Dawei including from ADB, Thai Banks: Siam Commercial, Krungthai and Bangkok Bank.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>November 14, 2011:</b> ITD signed a deal with RATCH for the investment of the plant.</li> <li>■ <b>January 9, 2012:</b> Myanmar canceled the 4,000 MW coal-fired power plant in Dawei, but 400 MW plant is under consideration.</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>July 4, 2012:</b> The resignation of the Vice President Tin Aung Myint Oo and the withdrawal of Max Myanmar from the Dawei project was confirmed</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>July 23, 2012:</b> Thailand and Myanmar government signed a new MoU of Dawei Project.</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>October 25, 2012:</b> Myanmar formed JHC headed by a Vice-President and JCC headed by Industry Minister.</li> <li>■ <b>January 26, 2013:</b> Deputy Minister Phone Swe, head of a DSEZ sub-committee, accused Dawei CSOs of the enemies of the project, rising tension between the authorities and the CSOs.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>November 6-8, 2012:</b> 1<sup>st</sup> JHC<sup>19</sup> meeting was held in Bangkok, and agreed to form six sub-committees to implement the DSEZ.</li> <li>■ <b>December 17, 2012:</b> Thai Prime Minister Yingluck Shinawatra<sup>20</sup> and President Thein Sein together visited Dawei SEZ site.</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>September 26, 2013:</b> Deputy Minister Set Aung<sup>21</sup>, a key technocrat</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>June 17, 2013:</b> 2<sup>nd</sup> JHC meeting was held in Bangkok and officially invited Japan to</li> </ul>

<sup>19</sup> <http://www.nationmultimedia.com/business/6-joint-panels-set-for-master-plan-30193887.html>

<sup>20</sup> <http://www.nationmultimedia.com/national/Countries-want-Japan-in-Dawei-port-project-30196340.html>

<sup>21</sup> <http://elevenmyanmar.com/business/3537-tripartite-discussion-to-be-held-for-japanese-investment-in-dawei-sez>

of Myanmar SEZs spoke out his doubt on the ITD's capacity to handle the DSEZ as a reason to seek Japan as a strategic partner.

join the DSEZ development and held the 1<sup>st</sup> Tripartite (Myanmar, Thailand and Japan) meeting in Bangkok.

## CHAPTER IV

### Thailand-Myanmar Relation: An Emerging of Military Brotherhood

#### Thailand: Seeking legitimacy for the Military Government

Currently, the Thai political system has been under the military government since 22 May 2014 when the elected government was overthrown by the National Council for Peace and Order (NCPO). Under the discourse of ‘political reform’, the NCPO has claimed to seek to restore political legitimacy and to stabilize the country via various constitutional mechanisms (MCOT, 2014) as it has argued for the need for strong leadership with great authority in order to unify the country and get rid of “bad leaders”.

The debate over the new form of governance that overruled the principle of democracy has intensified political conflicts that have already become rooted following nine years of various interventions from extra-parliamentary system that have polarized in all sectors of Thai society much deeper than anyone expected. The NCPO originally announced that elections would be held in 2015, but these have since been announced to be delayed until 2016 (Bangprapa, 2014), and later to 2017 (The Diplomat, July 25, 2015).<sup>22</sup>

Thailand’s political system has taken the form of a semi-democratic government or guided democracy led by neo-oligarchic group whenever it is not under military rule. The country’s economic and social policy, however, has continually been driven by aspirations for industrial development, including investment in transportation infrastructure, water management infrastructure, and reform of state-owned enterprises, in the hope that ensuring economic growth would trickle down to all of society. Yet, in recent years, Thailand has been in political accidents where sustained anti-governments protests had paralyzed Bangkok and were undermining investor confidence in Thailand, whilst controversy around the previous government’s rice-pledging scheme was later revealed to have placed a heavy burden on public expenses (Finch, 2014). Structurally, Thailand appears to be caught in a middle income trap (Phongpaichit and Benyaapikul, 2013). As well, growth of Thailand’s export-orientated economy has significantly slowed; compared to the boom years of the late 1980s, when between 1987 and 1989 export growth exceeded 20%, in 2014 it is expected to expand by less than 1% (Pananond, 2014)

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<sup>22</sup> <http://thediplomat.com/2015/07/thailands-junta-pushes-back-election-date-again/>

Though facing legitimacy problems, Thailand's military government has stated that it will recover Thailand's fading economy. The military government thus has proposed more infrastructure development projects and special industrial economic areas, including in border areas with Myanmar on both the Thai and Myanmar side of the border, in order to boost Thailand's economic growth. Ironically, many were promoted by the last Pheu Thai government. Major FDI investment in Myanmar, such as Dawei SEZ and various gas projects and electricity-export hydropower dams, are also seen as strategically important to Thailand's long-term economic growth.

### **Thailand-Myanmar Relation: Cross-border investment, wider Economic Growth and Peace Process**

The Thai military government has also sought to address other – from its perspective – long-standing concerns, including: the repatriation of refugees located in camps in Thailand on the Thai-Myanmar border; and the informal migrants from Myanmar.

Regarding refugees in Thailand, as of December 2015, there are 106,321 verified population living in 9 camps along the Thai-Myanmar border and 12,318 internal displaced persons.<sup>23</sup> Beginning with initial displacement flows in 1984, political and ethnic conflicts within Myanmar have created large-scale displacement of a broad mix of ethnic groups across the border into Thailand. The most recent wave of refugees arrived in November 2010, totaling approximately 18,000 following clashes between Myanmar's Thatmadaw and ethnic armed groups. Whilst the Thai state made them return, further fighting left around 5000 in the Myanmar-Thailand border area (Burma News Network, 2013).

On the issue of refugee policy, in Thailand there is not a single policy body but responsibilities are spread across several governmental institutions, including the National Security Council that comprised of various government sectors including the Ministry of Foreign Affairs, the Ministry of Defense and the Ministry of Interior. Since the Thai government has officially named all camps as 'temporary shelters' and the refugees themselves to be called as 'displaced person fleeing from fighting', instead of using the word 'refugee camp' and 'refugee', these people are considered to be subject to the Thai

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<sup>23</sup> <http://www.theborderconsortium.org/media/65465/2015-12-dec-map-tbc-unhcr.pdf> retrieved 25 January 2016.

Immigration Act of BE 2522 (1979). Formally, therefore, this means that those who leave the camps are subjected to arrest and may be charged for illegal entry.

For the Thai government, the issue of refugees/displaced persons is prioritized as a security issue, which is based on a conventional security paradigm with no formal asylum policy. The general policy principles are: to facilitate and assist temporary shelters on the basis of humanitarian principles; camp confinement for refugees/displaced persons; and interventions to address the root causes in bilateral consultation with the Myanmar government including helping for Myanmar's ceasefire process. Underlying these policy principles is the intention to reduce Thailand's burdens related to refugees/displaced persons.

Following Myanmar's democratic transition in 2010, and indications of some progress in the peace process, the Thai government has informally initiated a process of preparations for voluntary repatriation. Ethnic people living in the camps would be asked to make a choice either becoming economic migrants or seeking refugee status. In the camp, the granting of individual and family registration, birth certificate as well as registration and personal ID as camp population continue to be applied as before. However, for those who might become economic migrants, it has been reported that a number of displaced persons have been asked to participate in vocational trainings for job opportunities in Myanmar if they plan to go home. Meanwhile, regarding seeking refugee status, although the resettlement option has been closed for quite some time, individual cases of family reunion or group considerations for resettlement to a third country is still open to application in the camps. For those who seek refugee status and thus to stay in the camps, the Thai authorities will apply increasingly strict regulations for camp committees as well as closing down of freedom of movement to and from the camps.

Regarding economic migrants from Myanmar, Thailand depends very much upon these workers for its economy, including in the construction, fishing and fish processing, and manufacturing industries. As of 2013, an estimated 3,721,735 migrants were located in Thailand, the majority of whom are informal, constituting 5.5% of Thailand's total population (UN DESA, 2013). Of these, just under half (1,892,480 people) were estimated to be from Myanmar. Yet, many of these migrants end up in 3D (dirty, dangerous and demeaning) work, and are at risk of human rights violation including as "victims of trafficking and smuggled migrants who are exposed to abuses such as extortion, debt bondage and physical exploitation" (IOM, 2014).

Both the Thailand and Myanmar governments are now focusing on regulating migrant workers through their border area's policy for their national security and for economic development. This includes a collaboration to set up special economic zones in several places. The Thai military government has proposed 5 border areas in total within Thailand, which includes Mae Sot in Tak and Sangklaburi in Kanchanaburi provinces that borders Myanmar. Meanwhile, on the Myanmar side of the border, the Myanmar government is in the process of establishing SEZs at Myawaddy in Karen state (located opposite Mae Sot town) and at Phaya Thongzu in Mon state (located opposite the Three Pagoda checkpoint at Kanchanaburi Province).

These SEZs can be seen as serving various purposes. They are intended to boost economic growth and cross-border trade, first in the form mainly of border trade, and in the longer term internationally. The SEZs in Myanmar, based on labor intensive production, benefit from labor that is cheaper than Thai labor, including formally employed Myanmar labor in Thailand. From Thailand's perspective, placing SEZs in border areas either in Thailand or the neighboring country enables greater control of the movement of migrant labor away from inner cities and Bangkok. Furthermore, since Myanmar still has another 19 years of tariff free access to the EU and US, with Thai investment in the SEZs in Myanmar it could contribute towards Thailand addressing its middle-income trap challenge. Meanwhile, from the Myanmar government's perspective, the SEZs in ethnic states are an important strategy within the peace process for transforming the sources of armed groups to come from legitimate business.

Regarding foreign direct investment in mega-projects, Thai businessmen were among the first foreign investors to gain major business concessions near the Thai-Myanmar border. In the 1990s, Thailand's PTT Exploration and Production PCL was part of consortium that invested in exploring and importing natural gas via the Yandana gas pipeline, and has also sought to build a cascade of power-export hydropower projects on the Salween River that passes through Shan, Kayah and Mon states and in part forms the Thai-Myanmar border (Middleton, 2012). Thai investors also secured various mining concessions in the 2000s, for example the Heinda mine in which is currently subject to a court case the post-transition period in Myanmar (see below). Most recently, Thailand's military government has continued to pursue the Dawei SEZ that was initiated during the earlier coup-instated government of General Surayud Chulanont who signed the project's first Memorandum of Understanding.

In sum, the Thai military government's strategy towards the border shared with Myanmar encompasses a number of long-standing considerations including: refugee policy; economic migrant policy; economic development at the border area; and FDI in to Myanmar within nearby provinces. Since the instatement of the military government in April 2014, rather than emphasize on national or state security alone, the Thai military government has redefined and enhanced the implementation of 'security' to include economic activities and involve other actors, in particular the Myanmar government although this has implications for a wider array of actors, including local communities on both side of the border, ethnic armed groups and political parties, and investors. Addressing issues related to refugees, economic migrants and economic growth are important factors (amongst others) by which the performance of the military junta will be evaluated come the return to democracy, now postponed from 2015 to 2016.

Prime Minister General Prayut Chan-O-Cha categorized migrants as one of country's non-traditional threats as he pointed out in his research paper for Thailand's National Defence College that migrant workers could impose vital threats on the country which can be observed from emergence of crimes and outdated diseases, such as poliomyelitis and Elephantiasis. Therefore, he suggested that there must be appropriate working zones for migrant workers (pp. 84). As well, increasing number of migrant workers and illegal migrants could cause various problems, namely crowded communities, crimes, drugs and human trafficking, hazardous epidemics, and nationless newborns (pp. 85 – 86).

For solving migrants' potential problems, Thai Royal Army endorsed cooperative centers to monitor the borders along Thailand and Cambodia, Laos, Malaysia, and Myanmar as well as to strengthen military relations and information sharing between the countries (pp. 90). Moreover, from 1991 to 2000, Thai government had implemented one-sided migration policy in order to register illegal migrant workers into legal workforce, and endorsed Ministry of Labor to be responsible for policy and strategies management in 2001. At the moment the government has opened more legal spaces to register migrant workers to work in six fields: unskilled labor; industrial labor; household labor; fishery; farm keepers; and plantation (pp.105).

However, from the focus groups conducted in the research, General Prayut concluded that if Thailand cannot effectively handle migration problems, especially sensitive problems like nationless newborns, it would eventually lead to other cross-border problems. For

example, cross-border anti-government movements that both legally and illegally came to Thailand to protest against their governments might result in disputes between Thailand and their home countries in the future. Therefore, General Prayut recommended effective and appropriate zoning for legal migrant workers as that would prevent expected difficulties (pp. 141). Lastly, he also recommended that perceptions of civilians and academics are necessary to further study such non-traditional threats as it would ensure diversity of ideas and holistic solutions to such problems (pp. 170).<sup>24</sup>

Despite his perception on migrant workers, after acquiring his premiership, General Prayut has been firm on launching not only Dawei SEZ, but also other 6 Special Economic Zones: Sadao district in Songkhla bordering Kedah state in Malaysia; Muang district in Mukdahan, opposite Laos' province of Savannakhet; Aranyaprathet district in Sa Kaeo, opposite Banteay Meahchey in Cambodia; Mae Sot in Tak province, opposite Mandalay in Myanmar; and the last one will be established in Nong Khai.<sup>25</sup>

Compared to other projects, Dawei SEZ project is considered the biggest project of its kind in Southeast Asia, covering more than 200 square kilometers with a deep seaport, factories, a coal mine and power plant for electricity, golf courses and five-star hotels. Once completed, the project "will become a new distribution center for the world" according to General Prayut.<sup>26</sup>

General Prayut took his first overseas trip as a Prime Minister of Thailand to Myanmar in October, 2014 where he made pact with Myanmar's President, Thein Sein, to efficiently regulate labor force and make labor registration process more efficient in Thailand. As well, both leaders agreed to better regulate border areas and deepen their cooperation on border related issues, including illicit drugs, formal and illegal migrant labor. They labelled this cooperation as "partnership matters for security and development". In short, the two leaders appeared to agree that developing the border area's economies and better regulating migrant labor, would both strengthen security and development of the two countries.<sup>27</sup>

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<sup>24</sup> LTG Prayut Chan-O-Cha (2008) Roles and Responsibilities Reform of the Royal Thai Armed Forced Against the Non-traditional Threats, Thailand's National Defence College, Bangkok

<sup>25</sup> <http://www.bangkokpost.com/business/news/459602/prayut-sez-plan-can-t-wait> (January 23, 2015)

<sup>26</sup> <http://www.seatide.eu/?content=showdetail&id=806&type=0> (July 7, 2015)

<sup>27</sup> Thabchumpol et al. (2014), Military Brotherhood

Earlier this year, MR. Pridiyathorn Devakula, Deputy Prime Minister, revealed that the Dawei SEZ project was estimated to cost around US\$ 1.7 billion (Bt 55 billion) and the construction would begin within 2015.<sup>28</sup> Moreover, seeing Thailand as “an engine to promote development in the region<sup>29</sup>, Japan had shown its interest to be Thailand’s partnership on the Dawei SEZ project as the country agreed to sign a tripartite agreement in July 2015 to financially commit with the project.<sup>30</sup>

The partnership between the three countries namely Thailand, Myanmar, and Japan has formed a Joint High-Level Committee on Dawei development in January. The Committee will replace Italian-Thai Development, a large Thai construction company which was originally granted concession from Myanmar government in 2010.<sup>31</sup> As Italian-Thai Development failed to attract investors to its project, Thai and Myanmar governments had to step in to take over the project as government-to-government project with intention to ensure transparency in their operation in every phase<sup>32</sup>.

Not only with the SEZ that Japan will tightly cooperate with Thailand and Myanmar, the country has also agreed to get onboard on a high-speed rail route between Bangkok and Chiang Mai and the Red Line mass transit system in Bangkok.<sup>33</sup> In the meantime, Thailand’s Neighboring Countries Economic Development Cooperation Agency (NEDA) proposed that Thai government must give about Bt 4 billion—which would come from national budget for fiscal year 2016—to Myanmar for starting up the Dawei roadlink project because the roadlink is necessary in operating the Dawei SEZ. “Since Dawei will become the site for industrial estates and a deep-sea port, it is necessary to have this road link in place,” said Newin Sinsiri, NEDA Director<sup>34</sup>.

With all economic prosperities that Thailand expects to see once the SEZ is completed—as well as once the opening of AEC is in place—the country has faced several challenges due to its practice toward human right issues, especially its operation on migrants.

<sup>28</sup> <http://www.nationmultimedia.com/business/Italian-Thai-Rojana-expected-to-ink-Dawei-SEZ-deal-30258422.html> (April 22, 2015)

<sup>29</sup> <http://www.japantimes.co.jp/news/2015/02/09/national/politics-diplomacy/abe-thai-junta-leader-agree-to-cooperate-on-railway-development-special-economic-zone/#.VaOJ2vmqk0> (February 9, 2015)

<sup>30</sup> <http://www.bangkokpost.com/news/general/557687/japan-to-join-dawei-project-in-july-official> (May 11, 2015)

<sup>31</sup> See footnote 4

<sup>32</sup> <http://www.irrawaddy.org/investment/burma-turns-japan-thailand-kick-start-stalled-dawei-sez.html> (November 20, 2013)

<sup>33</sup> See footnote 3

<sup>34</sup> <http://www.nationmultimedia.com/business/NEDA-mulls-soft-loan-to-Myanmar-for-Dawei-road-lin-30259463.html> (May 7, 2015)

To elaborate, the process of repatriation of Myanmar refugees who have lived in refugee camps in Thailand in recent decades has been put into a limbo though the two governments already agreed to facilitate "safe return" of the refugees in accordance with human rights standards (UNHCR 2014).<sup>35</sup>

Thai-Myanmar military brotherhood has been proved as General Prayut staged a coup on May 22<sup>nd</sup>, 2014 against a businesswoman-turned-politician, Yingluck Shinawatra, a sister of self-exiled Prime Minister, Thaksin Shinawatra. Despite the fact that Myanmar is approaching toward democracy and political reform while Thailand is taking the opposite direction toward authoritarianism, Min Aung Hlaing, Myanmar Supreme Commander Senior General, praised the Thai junta for "doing the right thing" in seizing power (The Diplomat, July 29<sup>th</sup>, 2014).<sup>36</sup> From the Myanmar's side, after almost fifty years of being under military dictatorship, Myanmar elected President Thein Sein, a former general in his sixties with questionable democratic credentials as its president. Thein Sein's quasi-civilian government has taken charge of the country since 2011, and, similar to Prayut's, his cabinet is controlled by retired and serving military officers. As well, both leaders are taking their people toward their styles of happiness and prosperity, and their styles of democracies. Thein Sein has constantly spoken about "discipline-flourishing democracy" while Prayut has bragged about "Thai-style democracy" (Reuter, October 7<sup>th</sup>, 2014).<sup>37</sup>

Due to internal political conflicts, Thailand and Myanmar's economic ties were drifting apart during recent years as Bangkok Bank was only Thai bank out of nine foreign banks that recently got approval to operate in Myanmar.<sup>38</sup> Therefore, there are still gaps to be bridged in the two countries' economic cooperation.

Not only Myanmar that Prayut has eyed for economic partnership, in June 2015 at the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) summit that was held in Nay Pi Taw, Myanmar, Prayut pushed for greater cooperation in developing region as ASEAN and increasing connectivity of the region with the rest of the world. He met with the leaders of Myanmar, Vietnam and Laos. Additionally, he highlighted that Thailand has planned to invest in transportation and infrastructures to help linking the countries in the region and to facilitate cross-border activities. As well, Thailand would help brokering

<sup>35</sup> Media Reports ... #114... 9 – 17 July 2014, Myanmar-Thailand border region as it concerns refugees and internally displaced people

<sup>36</sup> <http://thediplomat.com/2014/07/the-new-thailand-myanmar-axis/>

<sup>37</sup> <http://www.reuters.com/article/2014/10/07/us-thailand-myanmar-idUSKCN0HW25120141007>

<sup>38</sup> See footnote 14

agreements to assist cross-border cooperation and regulatory integration between the nations (The Nation Newspaper, June 24<sup>th</sup>, 2015).<sup>39</sup>

"Thailand will move forward with ACMECS member nations to join the AEC and unite as a regional production base. Thailand is a signatory to the 'Nay Pyi Taw Declaration on Realisation of the Asean Community by 2015', and the ACMECS Plan of Action 2016-2018. The ACMECS action plan commits member countries to enhance production as a regional unit." Prayut promised at the summit.<sup>40</sup>

Military brotherhood between Thailand and Myanmar has proven its extension beyond military and economic areas when human trafficking crisis hit the region in May 2015. After discoveries of a mass grave reported from the far South, General Prayut called for a meeting with Myanmar, as well as Malaysia, with expectation to solve regional human trafficking crisis. When authorities found thirty-three bodies, believed to be Rohingya migrants from Myanmar and Bangladesh, in a massive shallow grave in Songkhla province, Thailand, General Prayut has ordered the ministry of foreign affairs to cooperate with the two counterpart countries to find ways to relieve the situations (Reuters, May 8<sup>th</sup>, 2015).<sup>41</sup> Though the human trafficking problems are still under investigations of relevant authorities, the cooperation between the three nations demonstrates the authorities' attempts to alleviate the crisis.

However, the Prime Minister refused to set up a permanent shelter for the Rohingya migrants in the country as it would place a great financial strain on Thailand. Acknowledging that nearly 300 Rohingya migrants who fled from ethnic persecution in Myanmar.

### **Renewed Cooperation: PM Prayuth's Visit to Myanmar**

Prime Minister Prayuth's first overseas visit since becoming Prime Minister underscored the significance of Thailand's relationship with Myanmar. It was quite an obvious signal for a new phase of cooperation between Thailand and Myanmar, on 9 October 2014 where Thailand's then-new Prime Minister, General Prayuth Chan-o-cha took a two-day trip to Myanmar. During the trip, he met with high-ranked officials in the capital Nay Pi Taw, including President Thein Sein.

<sup>39</sup> <http://www.nationmultimedia.com/politics/Prayut-calls-for-ACMECS-stronghold-in-Asean-30262993.html>

<sup>40</sup> See footnote 16

<sup>41</sup> <http://www.reuters.com/article/2015/05/08/us-thailand-rohingya-trafficking-idUSKBN0NT0KF20150508>

In the encounters, Prime Minister Prayuth and President Thein Sein agreed to better regulate border areas and deepen their cooperation on border related issues, including on illicit drugs, formal and illegal migrant labor, precisely on how to more efficiently regulate labor and to make Myanmar migrant registration processes more efficient in Thailand, to eliminate human trafficking, and to develop economic zones along border areas – for example, in Mae Sot district of Tak province – in order to boost trade, investment and create jobs in the areas .

With a stated goal of facilitating border trade, 3 pairs of adjacent provinces were named as “sister provinces” under Memorandums of Understanding between Myanmar and Thailand signed by the respective Provincial governors during the trip. Sharing more than 2000 kilometer of border, both leaders reportedly understood these issues as “partnership matters for security and development” (Bangkok Post, 2014).

Also on the agenda was the Dawei Special Economic Zone development, which Thailand has been keen to develop since 2006, and that Prime Minister Prayuth and President Thein Sein were committed to select private firms to invest in the first phase of the project as well as to enhance investment opportunities for the Thai private firms in the next phase which emphasizes more on infrastructure development and transportations. A Memorandum of Understanding was also signed on energy cooperation, including on energy sales, and for infrastructure development of power, gas pipelines, alternative energy and petroleum.

The Prime Minister and President appeared to agree that developing the border area's economies and better regulating migrant labor, would both strengthen security and development of the two countries.

### **Implication for the Borderland: Case study of Tanintharyi Region**

A Memorandum of Understanding (MoU) on the “Development of Dawei Deep Sea Port and Road Link to Bangkok”,<sup>42</sup> was signed at the sideline of an ASEAN ministerial meeting in May 2008. Whilst Thailand had just emerged from a coup-backed government from September 2006 to January 2008, the agreement was signed under the leadership of Prime Minister Samak Sundaravej of the People’s Power Party, which was linked to Thaksin. Myanmar, meanwhile, was under the military control of the State Peace and Development Council chaired by senior general Than Shwe. However, at the time of signing the MoU Thailand did not know much about Myanmar’s Dawei Deep-sea Port and Special Economic Zone (DSEZ).

In a nutshell, the project includes the establishments of 56-berth large deep seaport with capacity to handle large cargo vessels up to 300,000 DWT and LNG terminals, an SEZ area of 204.5 km<sup>2</sup>, and a 160-km eight-lane highway connecting Dawei and Kanchanaburi. This highway is meant to expand into the “Asia Highway Network (AHN).” It was anticipated that the total cost of the project would be US\$50 billion (DDA, 2014). The project was believed to be the western gateway of Thailand to the Indian Ocean, and a strategic component of “the Master Plan on ASEAN Connectivity,” including constituting a “land bridge” called the Southern Economic Corridor (SEC) under the Greater Mekong Sub-region (GMS) project.

It was not until late 2010 that the public attention both in Thailand and Myanmar began to channel toward the project after the Italian-Thai Development Public Co. Ltd. (ITD), Thailand’s biggest construction company, had signed a framework agreement with the Myanmar government to become the sole developer and constructor of such large-scale infrastructure project.

However, despite having a daring strategy of “catching a tiger with empty hands”, it has been proven that the project is much larger than ITD’s ambitious. It was in its belief that it could develop such mega project. It was only within a couple of years that the project began to stall. ITD failed to attract any major strategic partner to invest during the Bangkok Road Show<sup>43</sup> and Tokyo Road Show<sup>44</sup>. The Thai government and ITD were really hoping

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<sup>42</sup>Memorandum of Understanding on the Development of Dawei Deep Sea Port and Road Link to Bangkok: <http://daweidevelopment.com/index.php/en/why-invest-in-dawei/g2g-relationship>

<sup>43</sup> Bangkok Road Show: [http://daweidevelopment.com/images/stories/news/Events/BKK\\_Road\\_Show.pdf](http://daweidevelopment.com/images/stories/news/Events/BKK_Road_Show.pdf)

that during the road shows the company would be able to attract Japanese investors and assistance from Japanese government. The reality proved them wrong as both parties pay more attention to the establishment of Thilawa Deep-seaport and SEZ located nearby Yangon than they did Dawei<sup>45</sup>.

Another important factor contributing to the halt of the project was Myanmar's political transformation and leadership change in 2011. The DSEZ was reviewed by Myanmar's new government and reoriented to become a Government to Government (G-to-G) project, rather than letting ITD alone handle the whole project. The project thus became a semi (state-private) public enterprise under the title as special purpose vehicle (SPV).<sup>46</sup> This means under the SPV, both Thailand and Myanmar governments would have to share responsibility to develop the project by 2020.<sup>47</sup> Both governments formed two levels of joint committee namely the Thai-Myanmar Joint High-Level Committee (JHC) and the Thai-Myanmar Joint Coordinating Committee (JCC)<sup>48</sup> in order to oversee the overall project. They also signed a new "MoU on the Comprehensive Development in the Dawei Special Economic Zone and its Related Project Areas"<sup>49</sup> during President Thein Sein's official visit to Thailand in July 2012.<sup>50</sup>

Staff from the National Economic Social Development Board (NESDB) under Thailand's military government were assigned to work under the SPV structure. From the NESDB's perspective, in order for the Dawei Project to reap enormous benefits for both Thailand and Myanmar all the relevant stakeholders would have to carry out the project in a transparent and accountable manner.

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<sup>44</sup> Tokyo Road Show:

[http://daweidevelopment.com/images/stories/news/Events/Japan\\_Road\\_Show\\_June2011.pdf](http://daweidevelopment.com/images/stories/news/Events/Japan_Road_Show_June2011.pdf)

<sup>45</sup> The Japanese government started to give Oversea Development Assistance (ODA) loans to the Government of Myanmar for the Thilawa project in 2013

<sup>46</sup> See more information in <http://consult-myanmar.com/tag/special-purpose-vehicle/>

<sup>47</sup> According to SPV subcommittee, the ITD would still be allowed to continue participating in the project in the future after a re-evaluation of the investment as well as a due diligence audit on the work completed by ITD before other investors could be invited to participate in the project. From the SVP's perspective, the DSEZ will continue with the idea of downsizing of the deep sea-port and restructuring the planning of the SEZ from heavy petrochemical industries to be friendly to the environment and local communities. On the road-link corridor, however, a cross-border highway being seen as the Asia Highway Network (AHN) remains unchanged.

<sup>48</sup> <http://www.thaigov.go.th/en/news-room/item/73911-thailand-myanmar-to-expedite-the-development-of-dawei-project-with-an-aim-to-upgrade-economic-and-social-development-both-in-the-local-and-regional-levels.html>

<sup>49</sup> <http://www.thaigov.go.th/en/news-room/item/71001-prime-minister-and-president-of-the-republic-of-the-union-of-myanmar-declare-success-in-discussions.html>

<sup>50</sup> <http://daweidevelopment.com/index.php/en/introduction>

Moreover, both governments has agreed to invite ITD and Japan's Ministry of Economic, Trade and Industry (METI) to select bidding for developers and investors in the project. This was an addition to various plans to list the SPV on the Stock Exchange of Thailand, and later on the Stock Exchange of Myanmar once it is created in 2015. This time, Italian-Thai Development PCL (ITD) formed as "ITD Consortium"<sup>51</sup> with Rojana Industrial Park PCL, Electricity Generating PCL (EGCO) and LNG Plus International Company Limited (LNG Plus) contested the bid. The ITD consortium won the bid as developer to develop the initial 35 sq. km out of the 196 sq.km in the DSEZ. According to *Prachachat News*, the ITD Consortium will sign a new contract in December 2014 and the implementing will take 5 years from 2015-2020<sup>52</sup>.

The involvement of Japan has proven to be the key figure to financing the project. Despite its initially hesitation, there are some reports that the Japanese government now has some interests in trilateral ownership of the Dawei SEZ and road link project. Such speculation comes with a recent courtesy call in October 2014 to Prime Minister Prayuth by a senior Japanese delegation (Jikkham, 2014), and delegation visits to the project in November 2014 where it was announced that they would invest in "the second step" (Eleven Newspaper, 2014). There are, however, some doubts that Japan would commit to the project. Author Wai Yan Maung, probably a pseudonym of a senior government official taking part in the DSEZ, identified of all the risks in the project, the most sensitive one is the political risk as both countries had announced to hold national elections in the 2015/16 which could affect both countries' existing economic policies (Maung, 2014)<sup>53</sup>.

### **Military Brotherhood - Political legitimacy and economic prosperity**

Judging from the influential role that the Thai and Myanmar militaries has been playing in politics, and the past Myanmar's election in 2015 along with the upcoming (expected) Thailand's election in 2017, both militaries are in need of building their

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<sup>51</sup> Myanma Alin, Vol. 54, No. 53, p 6 (November 22, 2011)

<sup>52</sup> This phase will construct the industry estate and basic infrastructure such as small port, power plant, two-lane road, reservoir, and telecommunication system, at a cost of US\$8 billion.

<sup>53</sup> Wai Yan Maung wrote a long article detailing the project's latest information in the state-run newspaper *Myanma Alin* and analyzed that the reasons that the DSEZ was delayed were 1) giving a concession to a single company, namely ITD; 2) the huge infrastructure investment cost that neither a country or a financial institution can lend; 3) the reluctant of other private financial institutions to invest in a developer company that didn't get the government support fully; and 4) the international economic sanctions on Myanmar despite of some removals due to the governance reforms (Maung, 2014)

legitimacy. To this end, they aim to demonstrate that they can generate economic prosperity and provide national security.

For Thailand and the government of Prime Minister Prayuth, priorities include: recovering Thailand's weakening economic growth, including through infrastructure investment that includes the Dawei SEZ in Myanmar; the return of refugees located in camps in Thailand; better regulating economic migrants, including creating SEZs in the border regions; and other considerations, such as controlling the flows of illicit drugs.

Meanwhile, for Myanmar and the government of President Thein Sein, priorities include: industrialization and national economic growth; and closing the deal on the peace process for a permanent ceasefire and towards a national political agreement, which relates to the ability of the Myanmar military to govern ethnic states and the armed groups within them.

However, the case study of Tanintharyi Region has proven that the so-called peace process is actually a process of conflict transformation. To elaborate, wide-ranging economic investments by Thailand—increasingly enabled by the democratization process in Myanmar and the Myanmar's government's preliminary ceasefire with the KNU since January 2012—are remodeling the economic, political, social and environmental landscapes both across the borders and around the border areas. Alliances amongst powerful political and economics elites are shifting, while the local communities are left vulnerable to new patterns of insecurity. Control of land and natural resources in this kind of projects have led to community resource dispossession.

Though both the Thai and the Burmese militaries still believe in the demarcation of the national borders, they have also crossed the line by cooperating to govern it through a "military brotherhood". Promoting economic development of the border ultimately also serves the interests of both militaries in a more traditional security sense. At the same time, it facilitates both established and new elites to grasp economic as well as political interests. Therefore, whether or not the shift towards governing the border for development is also a shift towards a more human security-centered approach is highly debatable.

### **Thai military's perception on Dawei Special Economic Zone**

Prime Minister General Prayut Chan-O-Cha categorized migrants as one of country's non-traditional threats as he pointed out in his research paper for Thailand's National Defence College that migrant workers could impose vital threats on the country which can be

observed from emergence of crimes and outdated diseases, such as poliomyelitis and Elephantiasis. Therefore, he suggested that there must be appropriate working zones for migrant workers (pp. 84). As well, increasing number of migrant workers and illegal migrants could cause various problems, namely crowded communities, crimes, drugs and human trafficking, hazardous epidemics, and nationless newborns.

For solving migrants' potential problems, Thai Royal Army endorsed cooperative centers to monitor the borders along Thailand and Cambodia, Laos, Malaysia, and Myanmar as well as to strengthen military relations and information sharing between the countries (pp. 90). Moreover, from 1991 to 2000, Thai government had implemented one-sided migration policy in order to register illegal migrant workers into legal workforce, and endorsed Ministry of Labor to be responsible for policy and strategies management in 2001. At the moment the government has opened more legal spaces to register migrant workers to work in six fields: unskilled labor; industrial labor; household labor; fishery; farm keepers; and plantation.

However, from the focus groups conducted in the research, General Prayut concluded that if Thailand cannot effectively handle migration problems, especially sensitive problems like nationless newborns, it would eventually lead to other cross-border problems. For example, cross-border anti-government movements that both legally and illegally came to Thailand to protest against their governments might result in disputes between Thailand and their home countries in the future. Therefore, General Prayut recommended effective and appropriate zoning for legal migrant workers as that would prevent expected difficulties (pp. 141). Lastly, he also recommended that perceptions of civilians and academics are necessary to further study such non-traditional threats as it would ensure diversity of ideas and holistic solutions to such problems.<sup>54</sup>

Despite his perception on migrant workers, after acquiring his premiership, General Prayut has been firm on launching not only Dawei SEZ, but also other 6 Special Economic Zones: Sadao district in Songkhla bordering Kedah state in Malaysia; Muang district in Mukdahan, opposite Laos' province of Savannakhet; Aranyaprathet district in Sa Kaeo, opposite Banteay Meahchey in Cambodia; Mae Sot in Tak province, opposite Mandalay in Myanmar; and the last one will be established in Nong Khai.<sup>55</sup>

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<sup>54</sup> LTG Prayut Chan-O-Cha (2008) Roles and Responsibilities Reform of the Royal Thai Armed Forced Against the Non-traditional Threats, Thailand's National Defence College, Bangkok

<sup>55</sup> <http://www.bangkokpost.com/business/news/459602/prayut-sez-plan-can-t-wait> (January 23, 2015)

Compared to other projects, Dawei SEZ project is considered the biggest project of its kind in Southeast Asia, covering more than 200 square kilometers with a deep seaport, factories, a coal mine and power plant for electricity, golf courses and five-star hotels. Once completed, the project "will become a new distribution center for the world", according to General Prayut.<sup>56</sup>

General Prayut took his first overseas trip as a Prime Minister of Thailand to Myanmar in October, 2014 where he made pact with Myanmar's President, Thein Sein, to efficiently regulate labor force and make labor registration process more efficient in Thailand. As well, both leaders agreed to better regulate border areas and deepen their cooperation on border related issues, including illicit drugs, formal and illegal migrant labor. They labelled this cooperation as "partnership matters for security and development". In short, the two leaders appeared to agree that developing the border area's economies and better regulating migrant labor, would both strengthen security and development of the two countries.<sup>57</sup>

Earlier this year, MR. Pridiyathorn Devakula, Deputy Prime Minister, revealed that the Dawei SEZ project was estimated to cost around US\$ 1.7 billion (Bt 55 billion) and the construction would begin within 2015.<sup>58</sup> Moreover, seeing Thailand as "an engine to promote development in the region<sup>59</sup>, Japan had shown its interest to be Thailand's partnership on the Dawei SEZ project as the country agreed to sign a tripartite agreement in July 2015 to financially commit with the project.<sup>60</sup>

The partnership between the three countries namely Thailand, Myanmar, and Japan has formed a Joint High-Level Committee on Dawei development in January. The Committee will replace Italian-Thai Development, a large Thai construction company which was originally granted concession from Myanmar government in 2010.<sup>61</sup> As Italian-Thai Development failed to attract investors to its project, Thai and Myanmar governments had to

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<sup>56</sup> <http://www.seatide.eu/?content=showdetail&id=806&type=0> (July 7, 2015)

<sup>57</sup> Thabchumpol et al. (2014), Military Brotherhood

<sup>58</sup> <http://www.nationmultimedia.com/business/Italian-Thai-Rojana-expected-to-ink-Dawei-SEZ-deal-30258422.html> (April 22, 2015)

<sup>59</sup> <http://www.japantimes.co.jp/news/2015/02/09/national/politics-diplomacy/abe-thai-junta-leader-agree-to-cooperate-on-railway-development-special-economic-zone/#.VaOJ2vmqqko> (February 9, 2015)

<sup>60</sup> <http://www.bangkokpost.com/news/general/557687/japan-to-join-dawei-project-in-july-official> (May 11, 2015)

<sup>61</sup> See footnote 4

step in to take over the project as government-to-government project with intention to ensure transparency in their operation in every phase<sup>62</sup>.

Not only with the SEZ that Japan will tightly cooperate with Thailand and Myanmar, the country has also agreed to get onboard on a high-speed rail route between Bangkok and Chiang Mai and the Red Line mass transit system in Bangkok.<sup>63</sup> In the meantime, Thailand's Neighboring Countries Economic Development Cooperation Agency (NEDA) proposed that Thai government must give about Bt 4 billion—which would come from national budget for fiscal year 2016—to Myanmar for starting up the Dawei roadlink project because the roadlink is necessary in operating the Dawei SEZ. "Since Dawei will become the site for industrial estates and a deep-sea port, it is necessary to have this road link in place," said Newin Sinsiri, NEDA Director<sup>64</sup>.

With all economic prosperities that Thailand expects to see once the SEZ is completed—as well as once the opening of AEC is in place—the country has faced several challenges due to its practice toward human right issues, especially its operation on migrants. To elaborate, the process of repatriation of Myanmar refugees who have lived in refugee camps in Thailand in recent decades has been put into a limbo though the two governments already agreed to facilitate "safe return" of the refugees in accordance with human rights standards (UNHCR 2014).<sup>65</sup>

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<sup>62</sup> <http://www.irrawaddy.org/investment/burma-turns-japan-thailand-kick-start-stalled-dawei-sez.html> (November 20, 2013)

<sup>63</sup> See footnote 3

<sup>64</sup> <http://www.nationmultimedia.com/business/NEDA-mulls-soft-loan-to-Myanmar-for-Dawei-road-lin-30259463.html> (May 7, 2015)

<sup>65</sup> Media Reports ... #114... 9 – 17 July 2014, Myanmar-Thailand border region as it concerns refugees and internally displaced people

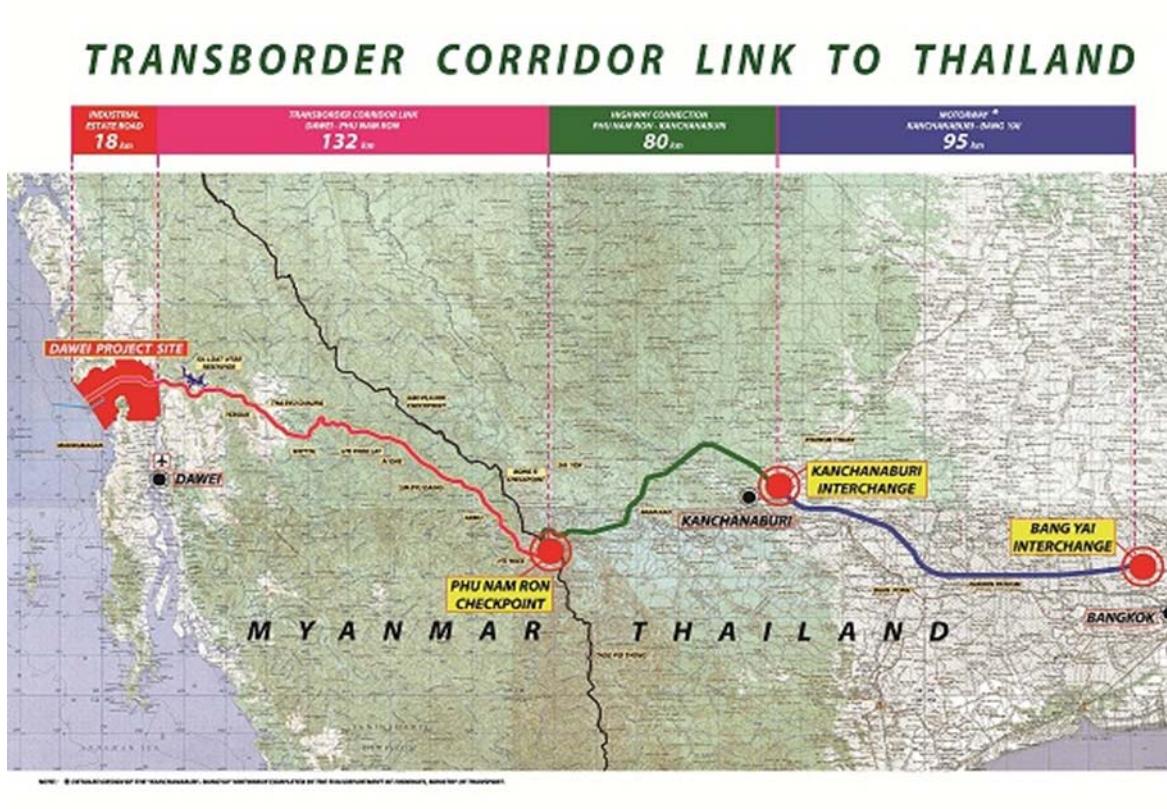


Figure: Dawei Roadlink's Masterplan (Source: Italian-Thai Development, 2012)

### Thailand and Myanmar's Military Brotherhood

Prime Minister General Prayut Chan-O-Cha categorized migrants as one of country's non-traditional threats as he pointed out in his research paper for Thailand's National Defence College that migrant workers could impose vital threats on the country which can be observed from emergence of crimes and outdated diseases, such as poliomyelitis and Elephantiasis. Therefore, he suggested that there must be appropriate working zones for migrant workers (pp. 84). As well, increasing number of migrant workers and illegal migrants could cause various problems, namely crowded communities, crimes, drugs and human trafficking, hazardous epidemics, and nationless newborns (pp. 85 – 86).

For solving migrants' potential problems, Thai Royal Army endorsed cooperative centers to monitor the borders along Thailand and Cambodia, Laos, Malaysia, and Myanmar as well as to strengthen military relations and information sharing between the countries (pp. 90). Moreover, from 1991 to 2000, Thai government had implemented one-sided migration policy in order to register illegal migrant workers into legal workforce, and endorsed Ministry

of Labor to be responsible for policy and strategies management in 2001. At the moment the government has opened more legal spaces to register migrant workers to work in six fields: unskilled labor; industrial labor; household labor; fishery; farm keepers; and plantation (pp.105).

However, from the focus groups conducted in the research, General Prayut concluded that if Thailand cannot effectively handle migration problems, especially sensitive problems like nationless newborns, it would eventually lead to other cross-border problems. For example, cross-border anti-government movements that both legally and illegally came to Thailand to protest against their governments might result in disputes between Thailand and their home countries in the future. Therefore, General Prayut recommended effective and appropriate zoning for legal migrant workers as that would prevent expected difficulties (pp. 141). Lastly, he also recommended that perceptions of civilians and academics are necessary to further study such non-traditional threats as it would ensure diversity of ideas and holistic solutions to such problems (pp. 170).<sup>66</sup>

Despite his perception on migrant workers, after acquiring his premiership, General Prayut has been firm on launching not only Dawei SEZ, but also other 6 Special Economic Zones: Sadao district in Songkhla bordering Kedah state in Malaysia; Muang district in Mukdahan, opposite Laos' province of Savannakhet; Aranyaprathet district in Sa Kaeo, opposite Banteay Meahchey in Cambodia; Mae Sot in Tak province, opposite Mandalay in Myanmar; and the last one will be established in Nong Khai.<sup>67</sup>

Compared to other projects, Dawei SEZ project is considered the biggest project of its kind in Southeast Asia, covering more than 200 square kilometers with a deep seaport, factories, a coal mine and power plant for electricity, golf courses and five-star hotels. Once completed, the project "will become a new distribution center for the world", according to General Prayut.<sup>68</sup>

General Prayut took his first overseas trip as a Prime Minister of Thailand to Myanmar in October, 2014 where he made pact with Myanmar's President, Thein Sein, to efficiently regulate labor force and make labor registration process more efficient in Thailand. As well, both leaders agreed to better regulate border areas and deepen their

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<sup>67</sup> <http://www.bangkokpost.com/business/news/459602/prayut-sez-plan-can-t-wait> (January 23, 2015)

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cooperation on border related issues, including illicit drugs, formal and illegal migrant labor. They labelled this cooperation as “partnership matters for security and development”. In short, the two leaders appeared to agree that developing the border area’s economies and better regulating migrant labor, would both strengthen security and development of the two countries.<sup>69</sup>

Apart from that, they also discussed about waves of illegal migrant workers, human trafficking and plans to develop economic zones along border areas to boost trade, investment and create jobs in the areas. For instance, they chose Mae Sot district of Tak province to be a pilot project.

General Prayut and President Thein Sein, additionally, agreed to push Dawei Special Economic Zone (DSEZ) development which they would select private firms to invest in the first phase of the project as well as to enhance investment opportunities for the Thai private firms in the next phase which emphasizes more on infrastructure development and transportations.

The Prime Minister did not only talk to Myanmar to boost the DSEZ project, but he also talked to Minoru Kiuchi, Japan's vice foreign minister in October, 2014—to convince Japan to take part in a trilateral partnership between Thailand, Myanmar and Japan.

“The prime minister said we will push to develop the Dawei zone with Myanmar and Thailand and all sides are prepared to move forwards with trilateral talks so that the Dawei project can materialize as quickly as possible,” Yongyuth Mayalarp, the junta spokesman revealed.<sup>70</sup>

On energy cooperation issue, they agreed to sign a memorandum of understanding (MoU) which covers energy sales, basic infrastructure development of power, gas pipelines, alternative energy and petroleum. The MoU will cover provinces along the border areas—Chiang Mai and Myanmar’s Kentung, Prachuap Khiri Khan and Myeik, and Ranong and Kawthaung. These cities were declared “sister provinces.”

The rationales behind the Prime Minister Prayut Chan-o-cha’s choosing to make his first foreign trip as the country’s leader to Myanmar could be varies, but two factors making Myanmar appealing to Thailand are that—First, Myanmar is an ASEAN chair for this year.

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<sup>69</sup> Thabchumpol et al. (2014), Military Brotherhood

<sup>70</sup> <http://www.reuters.com/article/2014/10/02/us-thailand-japan-idUSKCN0HR0HT20141002>

Given that Thailand has been very excited about entering the ASEAN Economic Community at the end of 2015, to strengthen its relationship with neighbor countries is necessary. Second, Sharing more than 2,000 kilometres of border, Thailand and Myanmar's economic interests are meticulously intertwined. In addition, Thailand can tremendously benefit via firm bilateral ties as Myanmar has affluent natural resources and strong will to open its economy and reconnect with the world.

Earlier this year, MR. Pridiyathorn Devakula, Deputy Prime Minister, revealed that the Dawei SEZ project was estimated to cost around US\$ 1.7 billion (Bt 55 billion) and the construction would begin within 2015.<sup>71</sup> Moreover, seeing Thailand as “an engine to promote development in the region<sup>72</sup>, Japan had shown its interest to be Thailand's partnership on the Dawei SEZ project as the country agreed to sign a tripartite agreement in July 2015 to financially commit with the project.<sup>73</sup>

The partnership between the three countries namely Thailand, Myanmar, and Japan has formed a Joint High-Level Committee on Dawei development in January. The Committee will replace Italian-Thai Development, a large Thai construction company which was originally granted concession from Myanmar government in 2010.<sup>74</sup> As Italian-Thai Development failed to attract investors to its project, Thai and Myanmar governments had to step in to take over the project as government-to-government project with intention to ensure transparency in their operation in every phase<sup>75</sup>.

Not only with the SEZ that Japan will tightly cooperate with Thailand and Myanmar, the country has also agreed to get onboard on a high-speed rail route between Bangkok and Chiang Mai and the Red Line mass transit system in Bangkok.<sup>76</sup> In the meantime, Thailand's Neighboring Countries Economic Development Cooperation Agency (NEDA) proposed that Thai government must give about Bt 4 billion—which would come from national budget for fiscal year 2016—to Myanmar for starting up the Dawei roadlink project because the roadlink is necessary in operating the Dawei SEZ. “Since Dawei will become the site for

<sup>71</sup> <http://www.nationmultimedia.com/business/Italian-Thai-Rojana-expected-to-ink-Dawei-SEZ-deal-30258422.html> (April 22, 2015)

<sup>72</sup> <http://www.japantimes.co.jp/news/2015/02/09/national/politics-diplomacy/abe-thai-junta-leader-agree-to-cooperate-on-railway-development-special-economic-zone/#.VaOJ2vmqqko> (February 9, 2015)

<sup>73</sup> <http://www.bangkokpost.com/news/general/557687/japan-to-join-dawei-project-in-july-official> (May 11, 2015)

<sup>74</sup> See footnote 4

<sup>75</sup> <http://www.irrawaddy.org/investment/burma-turns-japan-thailand-kick-start-stalled-dawei-sez.html> (November 20, 2013)

<sup>76</sup> See footnote 3

industrial estates and a deep-sea port, it is necessary to have this road link in place," said Newin Sinsiri, NEDA Director<sup>77</sup>.

With all economic prosperities that Thailand expects to see once the SEZ is completed—as well as once the opening of AEC is in place—the country has faced several challenges due to its practice toward human right issues, especially its operation on migrants. To elaborate, the process of repatriation of Myanmar refugees who have lived in refugee camps in Thailand in recent decades has been put into a limbo though the two governments already agreed to facilitate "safe return" of the refugees in accordance with human rights standards (UNHCR 2014).<sup>78</sup>

Thai-Myanmar military brotherhood has been tested when General Prayut staged a coup on May 22<sup>nd</sup>, 2014 against a businesswoman-turned-politician, Yingluck Shinawatra, a sister of self-exiled Prime Minister, Thaksin Shinawatra. Despite the fact that Myanmar is approaching toward democracy and political reform while Thailand is taking the opposite direction toward authoritarianism, Min Aung Hlaing, Myanmar Supreme Commander Senior General, praised the Thai junta for "doing the right thing" in seizing power (The Diplomat, July 29<sup>th</sup>, 2014).<sup>79</sup> From the Myanmar's side, after almost fifty years of being under military dictatorship, Myanmar elected President Thein Sein, a former general in his sixties with questionable democratic credentials as its presiden. Thein Sein's quasi-civilian government has taken charge of the country since 2011, and, similar to Prayut's, his cabinet is controlled by retired and serving military officers. As well, both leaders are taking their people toward their styles of happiness and prosperity, and their styles of democracies. Thein Sein has constantly spoken about "discipline-flourishing democracy" while Prayut has bragged about "Thai-style democracy" (Reuter, October 7<sup>th</sup>, 2014).<sup>80</sup>

Due to internal political conflicts, Thailand and Myanmar's economic ties were drifting apart during recent years as Bangkok Bank was only Thai bank out of nine foreign banks that recently got approval to operate in Myanmar.<sup>81</sup> Therefore, there are still gaps to be bridged in the two countries' economic cooperation.

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<sup>77</sup> <http://www.nationmultimedia.com/business/NEDA-mulls-soft-loan-to-Myanmar-for-Dawei-road-line-30259463.html> (May 7, 2015)

<sup>78</sup> Media Reports ... #114... 9 – 17 July 2014, Myanmar-Thailand border region as it concerns refugees and internally displaced people

<sup>79</sup> <http://thediplomat.com/2014/07/the-new-thailand-myanmar-axis/>

<sup>80</sup> <http://www.reuters.com/article/2014/10/07/us-thailand-myanmar-idUSKCN0HW25120141007>

<sup>81</sup> See footnote 14

After the first official meeting in October, 2014, Prayut and Thein Sein have met several times in a series of regional meetings hosted to prepare the region to welcome the ASEAN Economic Community (AEC) in the end of 2015. That is, not only Myanmar that Prayut has eyed for economic partnership, in June 2015 at the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) summit that was held in Nay Pi Taw, Myanmar, Prayut pushed for greater cooperation in developing region as ASEAN and increasing connectivity of the region with the rest of the world. He met with the leaders of Myanmar, Vietnam and Laos. Additionally, he highlighted that Thailand has planned to invest in transportation and infrastructures to help linking the countries in the region and to facilitate cross-border activities. As well, Thailand would help brokering agreements to assist cross-border cooperation and regulatory integration between the nations (The Nation Newspaper, June 24<sup>th</sup>, 2015).<sup>82</sup>

"Thailand will move forward with ACMECS member nations to join the [AEC](#) and unite as a regional production base. Thailand is a signatory to the 'Nay Pyi Taw Declaration on Realization of the [ASEAN](#) Community by 2015', and the ACMECS Plan of Action 2016-2018. The ACMECS action plan commits member countries to enhance production as a regional unit." Prayut promised at the summit.<sup>83</sup>

This is a crucial time that Myanmar is approaching the general election on November 8<sup>th</sup>, 2015 when Thailand's National Legislative Assembly and National Reform Committee just overturned a draft of the new constitution. The rejection could postpone Thailand's next possible election to 2017 (Reuters, August 3<sup>rd</sup>, 2015).<sup>84</sup> Despite the delayed of democratization process, deputy government spokesman, Veerachon Sukhontapatipak also expressed that "Thailand moved along the roadmap designed to strengthen Thai society, so that Thailand could be a more active partner to the UN" because the country is hoping to be a successful candidate for a non-permanent seat on the United Nations Security Council (The Nation Newspaper, September 24<sup>th</sup>, 2015).<sup>85</sup>

For the past half a century that Myanmar had seen Thailand as a possible support of armed ethnic minorities that revolted against the Burmese military government. Nevertheless, the Thai government, civilian and military, has proved to be an outstanding neighbor for

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<sup>82</sup> <http://www.nationmultimedia.com/politics/Prayut-calls-for-ACMECS-stronghold-in-Asean-30262993.html>

<sup>83</sup> See footnote 16

<sup>84</sup> <http://www.reuters.com/article/2015/08/03/us-thailand-politics-idUSKCN0Q80RJ20150803>

<sup>85</sup> <http://www.nationmultimedia.com/breakingnews/Election-in-mid-2017-Prayut-30269703.html>

constant aid it has provided to Myanmar during the Cyclone Nargis crisis in 2008 and along the peace process. To elaborate, the Thai National Security Council has provided travel documents and other facilities to leaders of armed ethnic groups to attend meetings in Yangon (The Nation Newspaper, September 7<sup>th</sup>, 2014).<sup>86</sup>

Therefore, in the past, the bilateral cooperation between Thailand and Myanmar was considered as a “talk-talk then negotiate-negotiate” relations without any outcomes except trade-off deals involving security and cross-border concessions on logging and mining along the porous border, due to the mistrust between the countries. Presently, the “new trust” that has just grown in their relationship has pushed Thailand and Myanmar toward a new era of partnership as a new established collaboration is in the picture. The two countries just resurrected the Joint Border Commission that was cancelled in 2004 in order to administrate efficient border management. That is, border crossing facilitation, repatriation of displaced people, preventing human trafficking, drug smuggling, as well as human resource developments are put as its priorities.<sup>87</sup>

One of many factors that the newly fixed relations between Thailand and Myanmar could happen could be that Thailand, under Chatichai Choonhavan’s government, did not join the global community in condemning Myanmar during the 1988 crisis. At the same time, the Thai authorities did not agree to send Burmese students and protesters back to Myanmar to face imprisonment. It was not a politician, but a military officer that cleared gloomy atmospheres between the two countries, General Chavalit Yongchaiyudha, Army Chief, had tried to tighten the relationship by creating military brotherhood via his trip to Yangon. The trip was to show support for General Saw Maung, despite criticism from the international media and other nations. General Chavalit defended that the trip was for negotiating over security along the borders. As a result, in 1988 – 1990, Myanmar had given numerous logging, fishing and mining concessions to Thai business (Kavi Chongkittavorn, 2001).<sup>88</sup>

Additionally, military brotherhood between Thailand and Myanmar has proven its extension beyond military and economic areas when human trafficking crisis hit the region in May 2015. After discoveries of a mass grave reported from the far South, General Prayut called for a meeting with Myanmar, as well as Malaysia, with expectation to solve regional

<sup>86</sup> <http://www.nationmultimedia.com/opinion/Implications-of-Myanmars-election-on-Thailand-30268275.html>

<sup>87</sup> See footnote 21

<sup>88</sup> Chongkittavorn, K. (2001). Thai-Burma relations. In International Institute for Democracy and Electoral Assistance (Ed.), Challenges to democratization in Burma: Perspectives of multilateral and bilateral responses (pp. 117-129). Stockholm, Sweden: International Institute for Democracy and Electoral Assistance.

human trafficking crisis. When authorities found thirty-three bodies, believed to be Rohingya migrants from Myanmar and Bangladesh, in a massive shallow grave in Songkhla province, Thailand, General Prayut has ordered the ministry of foreign affairs to cooperate with the two counterpart countries to find ways to relieve the situations (Reuters, May 8<sup>th</sup>, 2015).<sup>89</sup> Though the human trafficking problems are still under investigations of relevant authorities, the cooperation between the three nations demonstrates the authorities' attempts to alleviate the crisis.

However, the Prime Minister refused to set up a permanent shelter for the Rohingya migrants in the country as it would place a great financial strain on Thailand. Though acknowledging that nearly 300 Rohingya migrants who fled from ethnic persecution in Myanmar, Prayut and his government could not turn a blind eye on law and regulation about illegal entry. "We have given the Navy clear policy that if the refugees have an intention to land on the Thai coast, they are welcomed to do so, and we will give them humanitarian assistance, but we will treat them in accordance with laws about illegal entry into the country," said Major General Sansern Kaewkamnerd (Khaosod Newspaper, May 14<sup>th</sup>, 2015).<sup>90</sup>

Not only Thailand's policies toward refugees that needs to be scrutinized, application and implementation of refugee policies at both national and international levels should also be revisited. That is, the policies neglect emergence and constructiveness of displacement as the immigration laws—used as tools to control over the displaced populations—are accepted as natural. The existence and continuity of such laws serve to maintain and re-stabilize the social orders (Kalnin, 2010).<sup>91</sup>

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<sup>89</sup> <http://www.reuters.com/article/2015/05/08/us-thailand-rohingya-trafficking-idUSKBN0NT0KF20150508>

<sup>90</sup> <http://www.khaosodenglish.com/detail.php?newsid=1431607628>

<sup>91</sup> Kalnin (2010). Displaced Burmese in Thailand: Refugee Policies and Impact on Access and Rights 1988 – 2008,

## CHAPTER V

### Local transformation and Human Security: Perspectives from the Grassroots

#### Local Perspectives on Dawei Road-link

The Dawei SEZ has evoked responses by local community groups and various civil society seeking to defend communities' right to livelihood, access to natural resources, and ultimately voice in any development process that affects them. In response to the transnational nature both of the investment and wider economic vision that it reflects, these groups have also built transborder collaborations with Thai civil society. The transfer of the project from the Italian-Thai Development Plc (ITD) to the new company has left an accountability vacuum dealing with the legacy issues of the project development previous to the project handover (DDA 2014).

According to the Dawei Development Association (DDA), a Dawei based NGO:

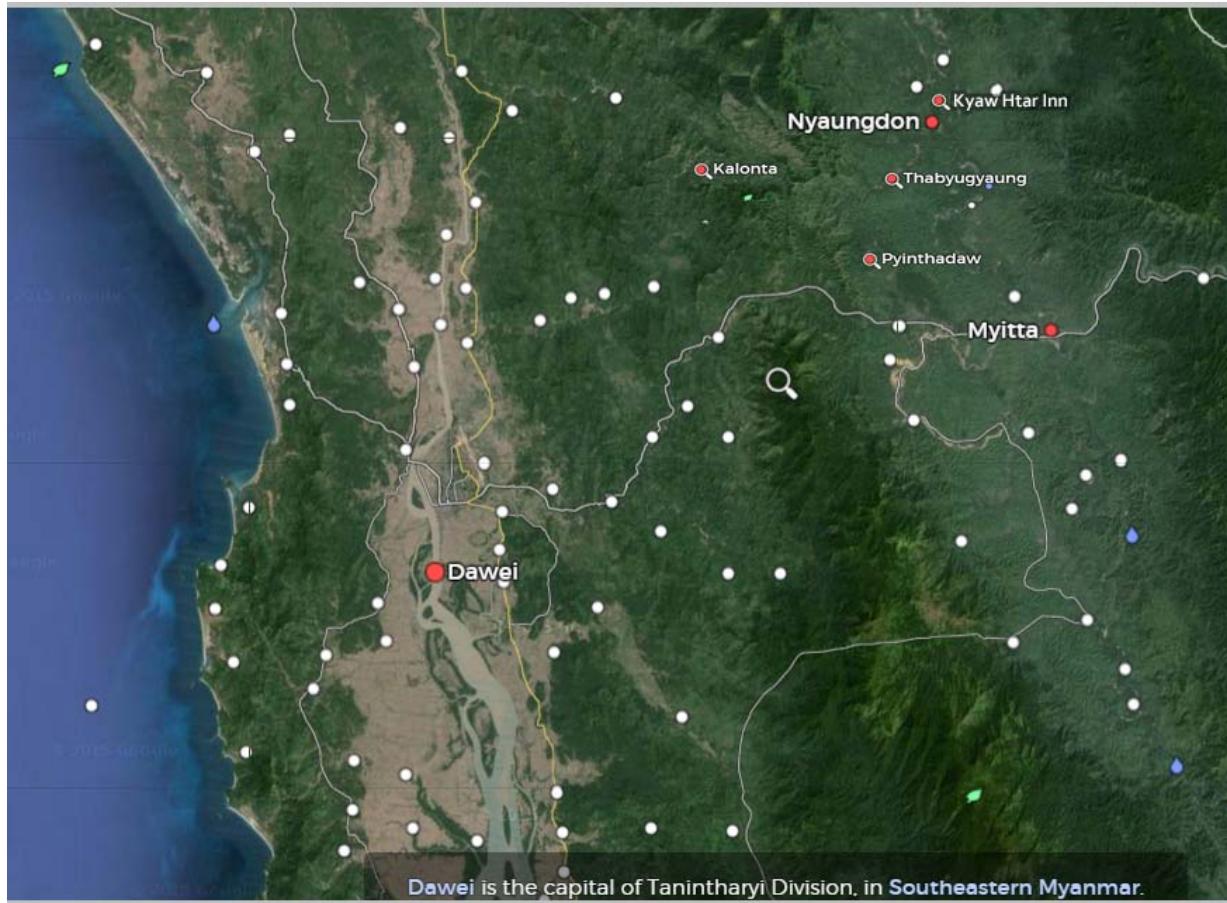
*“During the time in which ITD was developing the project, various environmental and social problems occurred including land grabs, inadequate and unfair resettlement and compensation, uncompensated loss of productive farmlands and forests, as well as various impacts to local communities’ social and economic wellbeing. None of the parties involved in the project have taken responsibility for these problems... ” (DDA 2014)*

The DDA's report, “Voices from the Ground” (DDA, 2014b), which has documented the impacts of the DSEZ and associated project to date, estimates that 20 to 36 villages (comprising approximately 4,384 to 7,807 households or 22,000 to 43,000 people) would be directly affected by the construction of the Dawei SEZ and related projects.

#### Village level's transformation

Based on fieldwork conducted from 7 villages residing along the Roadlink visiting during the research, namely: Nyaung Done/Kler Pu Village, Thabyu Chaung Village, Kyaw Htar Inn Village, Kahlone Htar Village, Pyin Htar Daw Village, Myaung Pyo Village, and Ka

Saw Wah Village. Villagers from these villages provide their local perspectives of various changes occurred on the ground as follows.



*Map showing 5 villages (Nyaungdon, Kyaw Htar Inn, Thabyugyaung, Pyinthadaw, Kalonehtar) in proximity to Myitta and Dawei.*

### **Nyaung Done/Kler Pu Village**

In the past 5 to 10 years ago, Nyaung Done village was situated in the conflict zone this village was very remote and difficult to access. During the conflict times, KNU protected this village every time Burmese Military entered the village. Therefore, the village has been always safe. The people of Nyaung Done never leave the village. However, there are villages that located on the west side of the Kamothway River whose people left the villages and ran away from the conflict with the Burmese Military.

In term of physical security, there had been exchanges from the villagers to the military for the safety, something like tax. The Military both KNU and Myanmar buys the weapons from Thailand, therefore the the villagers provide money and things to be given or served such as Beef, Pork, Rice, Chili, Porter and forced labour.

They said that the education has been improving for the recent years. School buildings were built by the villagers but now after the ceasefire, they are supported by the Myanmar government including school building repairs. Karen language is taught by Karen teachers both in the school and the church. However, the arrangement was not considered perfect by the villagers, as they need 11 teachers to teach in the village's school, but Myanmar government only sent four teachers, therefore the village needs to hire 7 teachers more by their own resources. Health situation has been improving as well, there are clinics and medical staffs around this area supported by the government and foreign donor countries such as Norway.

KNU policy is to protect the community but they think that some KNU members work only for their own benefits, they think that before the Myanmar government or military cannot enter the village but now, they can which makes the villagers worried.

*“From many years ago, KNU stays in the ground with the local community but now they do not stay with them anymore and often have different idea and opinions with the local community. After the ceasefire, both Myanmar military and KNU do not help the villagers much, so the people feel that they have to rely on themselves. Many people say that KNU is more interested on business and more business as the border opening up. He said as the KNU and the enemy (Myanmar military) became partner, the local people suffer.”* – Interview Mr. Saw Keh Doe

The road link construction invites more investments to come to the area. There are coal mining concessions given by Nay Pyi Taw and KNU to one Japanese company. Formal business and foreign investor need permission from both authorities to conduct activities in the area. However, once they got the permission they tend to disregard the local communities by claiming that they already have the permission in hand and can do anything they want.

The people think that now they have freedom to live, freedom to work and freedom to travel, they agree that the situation is changing and they have less fear in comparison with the past time. However, they also mentioned that the most benefit goes to the business sector and the authorities. There is no difference on the villager's welfare with or without the road link. The road does not create much difference because of the Nyaung Done village's profile whose people does not travel and work in Dawei or cross the border to Thailand.

As a community, they have a project to conserve the river and watershed area of Kamothway River in order to protect it from the coming development projects which could destroy the environment as they have seen it so far. They said that they are a very organized community and very strong social cohesion, both elders and youths are participating in movements and activities. They also share experiences and learn from other communities. They think that this is the only roadmap for the next generation. They also learned many things from Thai CSO who get in contact in campaigning against the Dawei SEZ projects. In the coming times, they want a clean government with a good governance and good responsibility which will bring a people-centered development not a company-centered development.

### **Thabyu Chaung Village**

Thabyu Chaung village was founded by only 3 households who were the first generations, the second generation they have 30 households, and at the moment there are the third generation which adds the population of the village into 70 households.

The people of Thabyu Chaung find new difficulties caused by the new road link. In the past, the elders can get water easily which was more than enough, but now there is not enough water and needs more effort to find consumable water. They believed this is caused by the road link construction which dumped the soil to the streams around the villages. It has polluted the stream that people cannot use it anymore.

They have school, church, and village hall which all were built by the people by using their own resources. Their livelihood relies on agriculture which never changes with Betel Nut, Cashew Nut, and animal breed. By growing more betel nuts, they have more money and can buy motorbikes and other new things from the city.

There are 3 families who left Thabyu Chaung and moved to Thailand, they have sold their land. They have a success Solar Panel project in the village, therefore they do not have problem with electricity as they also only use it for lighting, and some people have televisions. They feel that it is more difficult to work the farmland that they have to go upstream to expand the land and do more plantations. In expanding their farmland, they do not need to ask permission, they just need to be careful not to work in other neighbors land.

*“According to Myanmar Law, all land and resources belong to the government, and anytime the government need, they can take it from the people. So our people feel threatened by Myanmar Government and also KNU who sells land to business owner. There are many businessmen from Dawei came to Thabyu Chaung and grow rubber tree” – Mr. Saw Keh Doe from Thabyu Chaung.*

It made them difficult to develop the land because of fear that their land will be taken away by outside people as they also do not have any land documents. There was a time that both KNU and Myanmar land department came to Thabyu Chaung and measured the land. Last year in 2014, they also came and measure again, and this year they know that they will come again; the people just can wait and see what they are going to do with their land. They understand their situation because the land that they work on used to be their ancestor's land. These lands were sold by the Myanmar government, grabbed and destroyed by the fire. It was so difficult to mention who is the owner anymore, the people cannot do anything.

### **Kyaw Htar Inn Village**

Kyaw Htar Inn is a new village that relocated from the old site in the other side of the river due to the conflict of KNU with Myanmar Military in 1998. When they moved to the new site, there was nothing so they started new, they collected money and build up the village. Each family had to buy land for their house around 21,000 Kyats for 60 x 80 feet of land.

Now they have school, church and there will be a clinic that supported by the Norwegian government. Kyaw Htar Inn Village has 60 households with main income of the people coming from Betel (Areca) Nut, Coconut, and Rubber tree plantation. For the food such as rice vegetable, oil and salt they usually buy from Dawei. Only very few villagers still grow rice for their own consumption. He said that the land quality has degraded and people

cannot grow rice anymore. Some villagers still have plantation in the old site of the village, so they live in the new village but goes to work their farming land on the other side of the river 2-3 miles which is 15 minutes by motorbike or 30 minutes on foot.

Some people go to Thailand around last 3 to 2 years, there are 2 families who moved, the first the whole family left the village, and the second left one of their child in the village, the reason was they have too many debts and decide to repay by working in Thailand.

Health in the village is improving, there are no longer outbreaks of disease such as malaria and as mentioned before they will have mid-wives for assisting in deliver babies and a new medical clinic which is supported by the Norwegian government. There is no knowledge at traditional medicine as people do not trust them anymore. There are less people who understand traditional and herbal medicine. So when people get sick they go to clinic, take modern medicine, or go to hospital in another bigger villages.

Education in the village is improving before that school stops at primary school at grade V, now their children can go to study in Nyaung Done village which is located next to their village, and some go to Dawei for higher education. Many families have difficulties for their livelihood, so they cannot support the education of the children, and there is no willingness to study. However for those who can, they still pursue their education. If their children get lower education, usually they become farmers. If they graduate until university level, they leave the village to work in the city. In 1990, they have the full rights to learn basic knowledge, but there was no opportunity to learn Karen language, they can only learn in the church. The outcome is that there are some Karen ethnic who can speak and write Burmese but cannot speak and write Karen.

On Politics, villagers said that Myanmar now is in difficult situation and face many difficulties. They personally think that the ceasefire will be broken. People are worried, suffers and afraid of the military. On the coming election, he does not think everybody will vote, young people above 18 years old and some elder will not go but he said that he himself will go to vote because he wants a better country; he said people have to know and consider carefully which party to vote. Most people do not know anything. He knows USDP but he thinks that NLD is better so he will promote the situation of NLD to the people.

On Economic Security, only the people who are smart and can save money can generate more economic opportunity. But not with this village and this community during the

road link construction, he recalled that there was only 1 person who lost the land and the others have received compensation from the company.

### **Pyin Thar Daw Village**

Pyin Thar Daw village consists of 90 households from three generations of people who were born and live in the village. There are school, church and meeting hall. Their main income is agriculture by planting Betel Nut which is very typical of the community who lives all around the Kamothway River valley. They sell the betel nuts to Dawei. In the past they transport the products by using oxcart, nowadays they use car or bus to transport and sell in Dawei, better price and better income for the people. Villagers also do rice farming once a year.

Most of the villagers are Karen and there are two Tavoyan families. There are around 70 households in Pyin Thar Daw Village. The people do not oppose this road construction. The road link can be benefit to many people but the community will not use it much. Because of this road link is a kind of highway road, they are worried that the company will fence the road so it will be difficult for them to cross the road to go to their land in the future.

They feel that in the last 5 years the situation is getting better, there are only one or two families who are working in Thailand, some people work in Dawei. The problem is similar with Thabyu Chaung, that they are afraid of land grabbing because they do not have land documents. The main livelihood for the community here is agriculture such as upland rice farming, betel nut, and cashew nut also with rubber plantations. The villagers extend their plantation area and can make income more than before. But, it is not different much from the past as the market price is increase every year.

If the villagers got sick they go to health care department in Tanung Thone Lone Village. In emergency case, they go to Myitta hospital. If the disease cannot be handled in Myitta hospital, the patients are transferred to Dawei hospital. In the previous time, it was difficult to travel and access to the hospital as the road was bad. Now, as the road is better it is easier and faster to access to the hospital.

Before ceasefire, they were under threatened but they feel less fear after the ceasefire, they have freedom to travel now. Before the ceasefire, they were afraid of the military when they came into the village. When they got into the village, they took their animals, their

properties which they would like to. They find problems to the villagers if they got the information that KNU were in the village even though the villagers did not know anything. Villagers were asked to be porters to carry things for the military. After ceasefire, such kind of things does not happen anymore.

There are 10 families who go to Thailand to work. Some of the families intend to go to third countries. Some families work as daily workers. The families who are working in Thailand still have farm land in the village and their relatives are looking after for them. But the families, who are going to third countries, do not have land in the village anymore.

During their road construction, the villagers' lands were cleared. The villagers do not see any benefit to the villagers from this road. It just creates land problems to the villagers. Some lands became to two parts as the road go across them and the plantations are covered by land slide from road construction. The soil from the road construction goes into the streams and polluted water. The streams became shallower and fish in the stream are gone. The people do not see any opportunity to the villagers as they do not use the road. They believe that the benefits will go to the State and businessmen but not to the villagers. It will create problems to the villagers to cross the road in the future because of this road construction, many businessmen would like to come and look for business opportunities but they do not let them come into their village. They would like to buy villagers' land but the villagers do not sell their land to them. Myanmar land department came and measure land for the villagers but not for every households. Villagers who would like to measure their lands went and asked the officers from land department so they just came to measure for them.

### **Kalone Htar Village**

A focus group discussion and two interviews were conducted at Kalone Htar village, where nearly all the villagers are ethnic Dawei and just a little number of Karen families. This village was established since over 130 years ago with the population of village is over 1000 people and 234 houses in village. The main livelihoods of village are long term plantation like betel nuts tree, rubber, cashew nuts and others. The people started to change their livelihoods from mining work to long term plantation round about 1995 and since round about 2005 they started getting profits and since then to till now the village main livelihood is mainly depend on long term plantation. Since the construction of the road link, there is not much change the livelihoods of villagers, the people still rely on plantation. The main sources

of income for the village are from agriculture 9 long term plantation, from the forest products and remittances). Some are daily wages labors and some are working small scale tin collecting along the stream.

On the Impact of road link project, they said that after road link the streams are polluted along the road link and stream and creek are swallowed because of sedimentation and land slide from the road link. There is only a few villagers' plantation along the road link but most are bought by the outsiders like business persons from Dawei. The villagers are not happy about that but the outsiders happy because of the got compensation from company due to the seasonal fruits they can collect freely from the forest are difficulties to collect and these plants are cleared by the owners to grow mono crops trees like rubber and also these are occupied by the new owners so the villagers cannot access freely and easily. About 80% of these plants such as Djenkol Bean, cardamom are disappeared because of these trees are cleared and burned down.

The people said that they didn't get any information related to road link project nor being involved on the decision making. The company didn't ask to involve in decision making process, they did by themselves for decision making. ITD is the main decision maker for the road link. On the compensation arrangements, there is none yet, but for KNU even they don't give any pressure to the people but still influence to the villagers because the village is situated on the border of KNU and Military demarcation.

After the road finished, there are more and more logging from the eastern forest, between Kamoethway area and Kalonehtar and the people cannot make any complains because of those people are backed bonk by the KNU. Even to the Myanmar government the villagers can complain but for KNU they cannot know what will happen if the people complain to them. Those logging are done since last 5 or 6 years ago by both company from the permission of township government authorities but they use another road to transport timbers to Dawei, but this road cannot use in the raining season. Now after the road link finish they can use transportation easier than past. It creates difficulties for the villagers to use the local road because many heavy logging trucks created muds and damaged local road.

They said that the village has changed after the road link was constructed. In comparison with last 5 years the income from collecting fruits and seeds are decreased because these are owned by the outsiders and the people cannot access easily. So the conflicts are happening among villagers and also the plantation owners. The land owners are from

Dawei and some are the middle Myanmar and some are Chinese. Those people are come from the connection of local brokers and crony people. Now very few vacuum land are left all are owned by the outsiders and it is difficulties if villagers want to grow may be 2 acres of land. Also nearly all of lands nearby the water shelf area are bought by rich men from outside the area.

They mentioned about the village's current economic situation that by now 25% of the village situation is decreased because of rubber prize is low and they cannot get natural fruits and seeds easily around the villages and also fishes and wild life are scare than the past. Overall is still good and not much seriously. However, they are sure their economic situation will improve in the future.

On education, they said that now the village school is upgraded to primary school to post primary (grade 1 to grade 8). The school was upgraded to this situation by the main contribution of villagers and government education department support school teachers and free charges for primary education students. They think that the education situation is better than past. In the past, after finishing grade 5 they can say school life is finished and dropout rate is high. Now nearly all the children are going to school , interested in education an also parents are willing to support education because of after ITD and others outsider come to the village, villagers are more aware about education they know that if they are not educated they will be influence by the outsiders and also awareness raising from the CSOs.

On Health situation in the village, they do not have medical clinic. In 5 years ago every rainy season comes, they faced Malaria outbreak at nearly every household. Now the rate of Malaria and fever are about 90% decrease than last 5 years because of medical support often from NGOs and Yephu township medical department. Now they can go easily to Yephu and Dawei easily because of the local road is renovation and better condition than past. Also the sanitation system is improved by the leading of Kalonehtar monk and villagers are aware about garbage cleaning system and family hygiene. The most important thing they need is village health care center (clinic) and so village will be more secure in health in the future. The villagers get drinking water from the well, and nearly all the house has well. When they are get sick, some people go to Yephu and some go to Dawei.

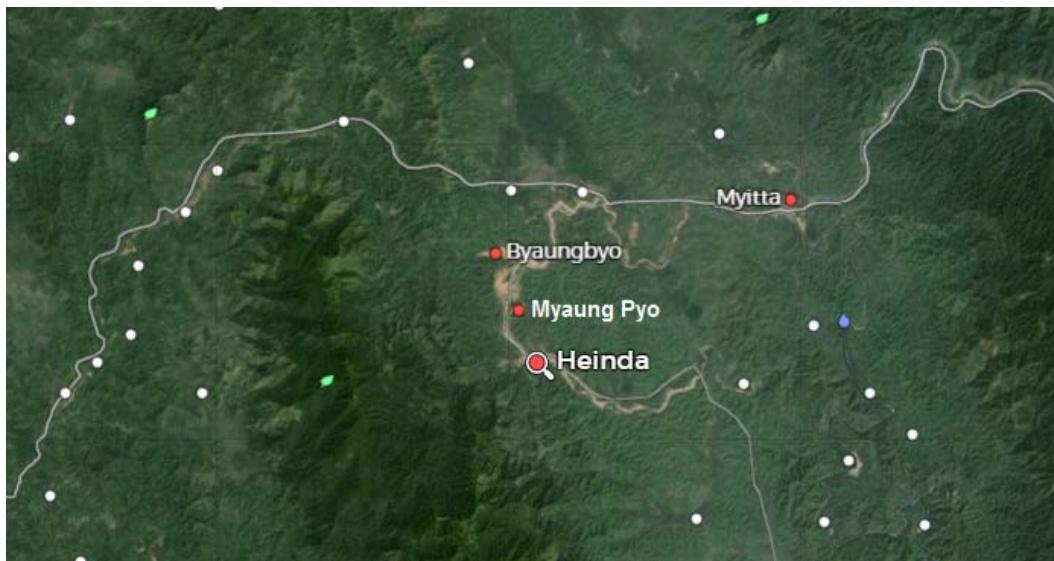
On food security issue, the villagers mainly buy foods from Yegyu and Dawei because now the local road condition is better and also they collect from the natural forest and gardens. They see the fruits and vegetable which got freely from forest and growing from

gardens are decreased than before. Now people are more relied on mobile market (motorbike and car), which arrive to village every morning so people are more prefer to buy than growing by themselves. Also it is easily to buy from greengrocer shops in the villages. In the past, some people grow vegetables because of in the past the road condition is difficulties to get here and there, but now most are relied on buying. The more sellers are come, the more money spent. People mindset changing buying is easier than growing because the cost is not much different growing and buying from others

On Political security, they mentioned about community level decision making in the village level that during recent years, if they have something to decide relate with village level, they take the decision from the whole village meeting. So they can manage their own decision freely. Also the village administrative leaders also support them. On connection with Media, they think that It is good for them because of having connection with Media, help them to raise their voices and cases through Media and people and decision makers are keeping their attentions about the village issues.

Last point about coming election, they said that are still confuse about election whether it will be fair or unfair. They said that they will keep watching about it. They said that the People want the election to be fair because they have learned from the past lesson. They want stronger representative who will take care and work for communities more democratic groups need to be in the parliament. The representative should be people center persons, who are working for people than political party. In the regional level, ethnic party should be stronger than others.

## Myaung Pyo Village



*Map: Myaung Pyo in proximity to Byaung Byo, Heinda and Myitta*

A focus group with 12 participants was conducted at Myaung Pyo Village which is a village whose villagers were relocated to their current village location by the government from the previous location of their village, in what is now the area of the Heinda mine. One of the villagers revealed that the village had 96 households affected by a coal mining project where the company (MPC) proposed 5,000,000 Kyat as compensation but the villagers refused to accept it. Therefore, they did not receive anything. Overall problems of this village are contaminated water source, dead or infertile crops and landslide that even got worse after flood in 2012. Before, the company came to the village, the villagers practiced upland plantation and caught fish in Myaung Pyo River. Unfortunately, the company came to the village in 1999 and it started a condensed mining project with 650 trucks coming into the village per day, dumping rocks and sand into the river on 24/7 basis. Before that, the village's water resource was not damaged because there was just a state company with low technology and without heavy machines working on mining. Gradually, houses fell into the sand in raining season and the villagers could no longer park their motorcycles under the houses as the river had more installment year by year.

Without the crops, some villagers had to go to Thailand to find jobs while many who stayed in the village had had to use water from other parts of the village for household use since 2000. Moreover, skin diseases, itching and coughing, especially in children and elders are obvious health problems that got worse once rainy season came. The villagers had tried to talk to the company but did not success because the company said that this was not its

responsibility and the government supported it. To the villagers, the claim was proved to be true as many Ministers came to the village just to monitor the problems from their cars. As well, the company told the government that they would compensate the villagers in September 2012 while only 5 households had received the compensation between 100,000 – 500,000 Kyats up until now.

Villagers from Myaung Pyo, located in Dawei District, have filed a court case over damages allegedly caused by the Heinda mining project operated by Myanmar Pongpipat Company Ltd.

*“It has had many negative social and economic impacts on our community,” Myaung Pyo’s villagers said in a joint statement.*

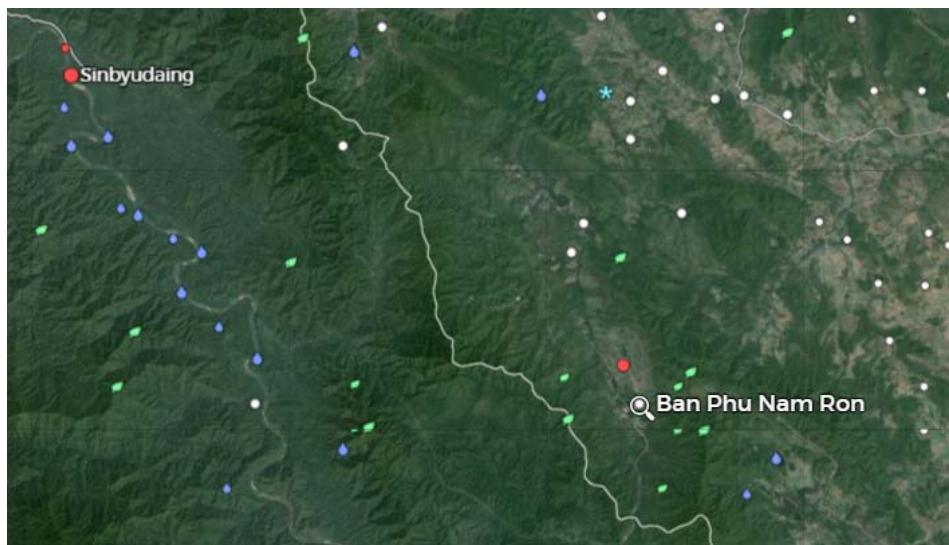
Myaung Pyo village has around 100 households, with over 500 people, locals said. The main income for locals was farming on the banks of the local river. The villagers were moved to the village’s current site in 1983 after being relocated by the then military regime. The Myanmar Pongpitat Company opened the Heinda mine in 1999. Villagers said that shortly afterwards local waterways were drained, wildlife and plants died and buildings were damaged by waste sediment produced by the mine.

*“Many of our plantations, houses, wells and religious buildings were destroyed due to [mine] waste and sediment left by the mining company. In 2012, flooding caused further destruction of houses, plantations and water sources along the Myaung Pyo creek, which is now filled with waste and sediment from the mining project,” the villagers said.*

The villagers said that the mine project had ruined their livelihoods, and that local authorities had failed to help.

*“Though we villagers have seriously suffered from the flood caused by mining project, Myanmar Pongpipat has taken no responsibility for any damages caused to us. We have reported about difficulties to respective government departments and the company itself, but have not received proper or meaningful responses so far. We have experienced pressure from authorities and a lack of accountability by the company instead of meaningful and fair negotiation.”- A Local villager*

## Ka Saw Wah/Sin Byu Daing Village



*Map: Ka Saw Wah/Sinbyudaing Village in proximity with Ban Phu Nam Ron Checkpoint*

At Ka Saw Wah village, a focus group was conducted at a priest's house where around 25 villagers attended. The villagers revealed that all of them had to move in 1997 due to the fight and they moved back to live in the village again in 2005. From 2005 – 2007, their lives were at ease and comfortable, especially in the dry season that the water was very clean. However, the road construction started in 2010 and that led to contamination of water resource in both dry and rainy seasons until the point that the villagers could no longer use the water from Tanintharyi River and had to use small streams in dry season or to use ponds in rainy season. The villagers had complained to ITD many times but received no response. The villagers had become more concerned when the ITD informed them that it was no longer a project developer as the project would be set up as a G2G project and the company would only be a contractor. Hence, all the company could do was to collect the complaints and submit those to the governments.

Additionally, the ITD insisted on talking to only elders and refused to talk to younger villagers who spoke Thai very fluently and considered themselves as the backbone of the village. ITD ordered the villagers to stop growing rice on their lands because it was not certain where the roads would be built yet. As a result, the villagers was now in food security crisis as they did not have enough rice for consumption while ITD tried to introduce a new way of making money, weaving baskets. On top of that, the company had not presented any legal documents when claiming their concession rights but asking the villagers to provide household documents when being asked for compensation. In this case, those who did not

have the documents had to put their case into Thai-Myanmar governments' consideration—meaning, no compensation. The future of this project was unclear though the ITD had come into the village and measure lands with GPS equipment many times and there were many cases that its employees called villagers as "shrewd," thinking they grew plants and moved the buildings into the expropriated areas.

### **Local transformation at the city level in Dawei**

Based on in-depth interviews with key informants and gathering opinion from Stakeholders, the research aims to understand the dynamic of changes in Dawei and tanintharyi region. Interviewees include representatives from ITD – Dawei SEZ, members of NLD (Dawei's branch), members of Dawei Development Association (DDA), representatives from the Tanintharyi Chamber of Commerce and Industry, representative of the Dawei Tourism Committee, members of Dawei Lawyers Group and members of Karen Women's Organisation, a KNU affiliated organization in Dawei. Their opinions are seen as follows.

### **NLD's position on dynamic of changes in Dawei**

It is based on interview with U Tin Hlaing, who is the chairperson of NLD for Tanintharyi Region. He is 75 years old now, we have met him in the first trip to Dawei in 2013 and this interview is to get updates on the current situation and party's platform in the upcoming election. His personal opinion is that NLD should contest the election. He believes that situation in Myanmar have improved better since NLD entrance to the parliament in 2012 Bi-election under the leadership of Daw Aung San Suu Kyi. There have been increasing interest of people all over Myanmar about NLD and in particular in Dawei, However NLD does not have chair in the regional parliament, as the ruling party in the regional parliament is from USDP. Therefore NLD also has planned to contest the regional parliament election. At this time NLD committees in whole Myanmar are waiting the decision from NLD's central committee about decisions regarding election.

On Development, he said that after Dawei SEZ project started, many investments have been coming to the region, but he believes that every investment and projects should be systematic and do not harm the local people. Investor and companies should take responsibilities toward the impact to the local people. He recounts that many projects

including that of SEZ, Logging, Oil refinery and Mining give neither information nor do consultation with the people. This is bad for the people's livelihood, environment and long-term conditions as it is not sustainable to conduct by this manner. Foreign Investors do not follow FDI law, they just do what they want which is harming the people.

Local investors are conducting the same practice, on the case of Oil refinery project which is located around 17 miles from the city is also owned by Myanmar Economic Holdings. They refine 5 million gallon of oil per year, the area clearing process was using force, it did not consider the people because the Myanmar Economic Holdings is owned by the Army, and therefore they have the power and force to do so. He commented on CSR practices by the companies which is cheating the people, it looks good at the policy level but the implementation is weak. The approach is similar with other policy which is centrally regulated and top-down approach.

Along the road link he recounted that those who are responsible are ITD as the constructing company, and KNU. He thinks that some KNU officials have received commission from ITD, so that the company can do whatever they want.

He admitted that the role NLD at the district level is not much on giving advocacy to the people. When conflict or issues happened, they cannot do much, they only act as a 3rd party and try to understand the situation of what is happening in the region. However, he said that he cannot judge anything on the issue; his capacity could only give advices on the issue. And at the party level there is no official meeting to discuss conflict that happens between companies and the people. The law is also not suffice, people cannot sue the company with environmental law, only can sue with civil law in the penal court.

He argued that in order to have more reforms, there should be change of mindset of the typical military government (ruling party, USDP was formed by the military Junta). Military always holds on power, involving no participation, involving lines of commands and authority. He thinks that NLD can provide solutions once it became part of the government. NLD has a concrete policy which is to support local community and solving problem of the local people. This is Daw Aung San Suu Kyi's stand point when it comes to the situation in regional level. He plans to work more with CSO in gaining more information on incoming foreign aid and development project in the region.

He said that NLD also has youth working committee which is a sub-committee under the structure, he admitted that it is active even quite weak. He believes that more youth participation is important for the party platform as well. He is looking forward to the decision from the central committee to contest the election, and he is optimist that the situation will be better in 2-3 years especially on the border area where warzones is transformed to the area of peace.

### **Heinda Mine Case and the Legal Struggle of Local Villagers**

This issue is from the interview with Ms. Aye Mon Thu, who is a junior lawyer of Dawei Lawyers Association (DLA). Established in 2010, DLA is a group of public interest lawyer and also giving public legal aid. The Dawei Lawyer Association is using the legal battle for the case of environmental violation of Heinda Mine which is a Thai mining company in Dawei District court. She updated about the current litigation progress where the case has been going on in the court for 1 year. After the court doing the cross-examination, the statement was that the court cannot accept the case. However, she thinks that this is a good progress, because according to Section 80 of Myanmar civil law, it states that the people can sue every person including government bodies. She plans to pursue next step which is to appeal to the Tanintharyi Regional/Divisional Court.

Heinda Mine's Lawyer denied the evidences given in the court by saying the legal document of the people such as land certificates were not valid, and the company has already got permission from the Myanmar Government. However, she has more evidences which can be tried in the court such as land tax vouchers of the people which shown that when they paid the tax to the government it shows that they are the owner and user of the land. She finds that the company violates the right of the people by doing land grabbing, damaging the environment with the mining operations, and by performing their business with no international standards such as EIA, EITI, and CSR to the people. There are 9 villages in total which affected by Heinda Mine's operation.

## **Impacts of Economic Development in Tanintharyi Region and the Road-link**

This information is based on the discussion with Mr. Ye Htut Naing who is the Chairperson of Tanintharyi Region Chamber of Commerce and Industry. He is a businessman who has rubber plantation in the region. He has a son who is now studying Bachelor degree in Economics in Assumption University, Bangkok, Thailand. He has been holding the position for the last 2 years. He invited us to have the discussion in his house due to he wants to speak freely on the issue which we cannot do if he talks in his office.

His first comment was on economic situation of the region and the country, he said that the government firstly must understand about the nature of business and economy when the government set up business policies, it should facilitates local businessmen, and all the people need to follow that policy under rules and law. He noticed that there are many problems with the current government especially on corruption and lack of policy on business and economic growth of the region.

He said that 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. He mentioned about one product from Thailand that he refused to be specific on which involved bribery and smuggling with the border officials, when this product enters Dawei Market, it destroyed the price for the similar local product, and the local businessmen were suffering from the damage. This could be happened because there is no import tariff yet, there is no custom control, and it let products from Thailand enters Tanintharyi region easily. We have to talk more with the government to solve this issue.

He mentioned that the region's exports to Thailand are only coconut and migrant workers. Tanintharyi is a small market and also can only generates small products, therefore the role of government is really vital for the business and economy of the region.

At the moment, the government just merely makes things up. They do not see the reality as what the business sector faces day by day. The government only takes order, there is no relationship with the people, in particular the business sector, their mindset is closed that the government thinks that businessman only want more profits so what they can do is

only complain to the government. So, it can be seen that the situation is hard for both government and businessman to move on together.

Therefore, he is looking forward for the 2015 election, he said that let us just plan and pray for 2015. He hopes that more political parties can understand the needs of businessman. He agrees that politicians should be the leaders in shaping good policy which will create good condition for business.

### **Human Insecurity: Perspectives from the Ground**

According to the Human Security framework developed by Sen and Ogata (2003) and UNDP (1994), analyses have been made on the case of the Dawei Roadlink Project in Tanintharyi Region with include economic, food, health, environment, personal and political security as follows.

#### **Economic Security:**

There have been doubts of some respondents from the local villages alongside the roadlink in having a stable livelihood in the future, due to the road constructions have taken away their land, and orchards, with low compensation from the company or the government. DDA' report in 2014<sup>92</sup> states that the primary occupation of the people living in the region as follows: 35% do Orchard Farming, 31% do Paddy/rice farming, 19% do other jobs, 7% do service sectors and getting daily wages, 5% do livestock rearing and only 2% work in company as salaried staffs. The report also states that incomes derived from agriculture and natural resources are important to majority of households in the area affected by the DSEZ. Income figures reported by each household of annual income in 2013 indicate that, approximately half, or 47% of all households reported an income of less than 23 lakh kyats per year, or approximately 1 dollar a day per person, and almost three quarters, or 73%, reported an income of less than 2 USD a day per person. With low levels of income, it is unlikely that most families have been able to make savings to help themselves when incomes fall.

From one interview conducted in a village along the roadlink, a respondent said that:

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<sup>92</sup> See Dawei Development Association "Voices from the ground" Report in 2014

*25 % of the village Economic situation is decreased because of rubber prize is low and they cannot get natural fruits and seeds easily around the villages and also fishes and wild life are scare than the past. Overall is still good and not much seriously. However, the people are sure their economic situation will improve in the future.*

Land is a critical livelihood asset for the majority of people in the areas to be affected by the project. The majority of affected people (71 percent) consider agriculture to be their primary occupation. The loss of land can therefore be expected to affect people in the areas studied profoundly. It is also clear that land-related livelihoods are diverse. Several fields are developed and several uses may be made of one field including various crops throughout the year, which provide both food and income. Also, land-related livelihoods are not only derived from crops – livestock, fisheries, and forest products also provide significant incomes for **13%** percent of all households surveyed. Many of the other income sources in the affected areas are indirectly related to land, in particular, agricultural processing work and jobs which depend on the wealth of the community, which are therefore likely to be affected by the drop in agricultural production and the potential collapse of the local economy. The full range of livelihoods in the local area must be taken into account in any arrangements to support the local populations affected by the project.

Corresponding with the report, one respondent agrees that the occupation of the people which based from orchard farming and long term plantation, betel nuts and cashew nuts and also collecting and small merchants to sell non timbers products to Yephuy and Dawei. Her main resource of incomes for her household is coming from the orchard and she thinks that only 15 % of income from the village is coming from remittances. She thinks that the House Hold's economic is quite decreased because of production of fruits are less than past year and villagers cannot get non timber products because the owner clean the these area so it affect to us like small merchants and income is decrease. She believes that the economic will increase in the future because of now the plantations are growing up year by year and they will get more profits. But income from collecting natural fruits and seeds will decrease year by year because people clean the land and grow mono crops and logging.

According to our observation, interviews and focus group discussion, internal migrant labours coming from other parts of Myanmar are seen as threat by the local people due to the fact; they are more skilled and could take potential local jobs. There are many construction

workers who came from other parts of Myanmar who do mining jobs in Tanintharyi Region, the local people perceives that if one day the Dawei SEZ and Seaport have finally be realized, they believe that the government will continue to use these migrant labors from other parts of Myanmar, instead of employing more Daweian or Karens who live in the region. There are risk of joblessness and so far there is no protection against unemployment.

The people believe that the government must understand about the nature of business and economy when the government set up business policies, it should facilitates local businessmen, and all the people need to follow that policy under rules and law. There are many problems with the current government especially on corruption and lack of policy on business and economic growth of the region.

## **Food Security**

With the roadlink construction, people face the situation of changing options of buying food such as rice, vegetable, fruits, oil, garlic, onion and salt from Dawei city and also options of finding influx of Thai products from Kanchanaburi and neighbouring provinces of Thailand.

Now the people see the fruits and vegetable which are available from the forests and gardens are decreased than before. Now people are more relied on mobile market (motorbike and car) which arrive to the village every morning so people prefer more to buy than growing by themselves. Also it is easier to buy from greengrocer shops in the villages. The supply of daily food products is not a major concern however there is a trend that the access to food products has been decreasing than before. The villages can still access to poultry and fishes that they can buy from the city.

## **Health Security**

The people feel that health has been improving there are clinics and medical staffs around this area supported by the government and foreign donor countries such as Norway. Health in the village is improving, there are no longer outbreaks of disease such as malaria and as mentioned before they will have mid-wives for assisting in deliver babies and a new medical clinic which is supported by the Norwegian government. There is no knowledge at

traditional medicine as people do not trust them anymore. There are less people who understand traditional and herbal medicine. So when people get sick they go to clinic, take modern medicine, or go to hospital in another bigger villages.

People get drinking water from the well, and nearly all the house has well. About 80% of villagers have sanitation system in the house by using toilet and garbage control system is improved and village is cleaner than in the past due to a better awareness and management. The people's health has improved than in the past. Now we have no people dies because of Malaria. In the past, malaria was the common disease. .

With the roadlink constructed, people can go easily to Yephuy and Dawei easily because of the local road is renovation and better condition than past. Also the sanitation system is improved by the leading of Kalonehtar monk and villagers are aware about garbage cleaning system and family hygiene. The most important thing they need is village health care center and clinic, thus the health security will be better and improving in the near future.

## **Environmental Security**

With the road construction it affects negatively with the forest degradation and water pollution to the river and streams in the region, environmental security is at risk. Forest degradation, mainly caused by the opening of the road which have cut many trees, orchards, and natural vegetation in the forest. Traditionally villagers use forest for forest products like timbers, woods, bamboos and no timber products like cardamom, Djenkol Bean, mushrooms, bamboo shoots and so on. However the forest products are less than before because of logging, some small mountain and forest were bought by the investor and businessman from other parts of Myanmar and then they cleared land to grow other kinds of trees like rubber. The people believes that if there will be no maintenance and conservation, all these resources from the forest will become lesser in the future and it will be difficulties to get forest product and non-timber products.

River and streams in the region which came mostly from the Tenaserrim River and also Kalone Htar Streams are also affected with the roadlink constructions. There are several parts of the river and streams whose colors have already changed, have smells, and cannot be consumed anymore. In some parts of the villages along the roadlink, villagers face water scarcity more or less during the last 2 years. In the past, Kalone Htar stream has lot of water,

but now the flow and quantity of water is getting less and less year by year in the dry season. Also in some part of village facing less amount of fresh water in the well so that people have to share the water usage from their wells.

From our observation, interviews and focus group discussions show that the impact of environmental security is at the utmost concern. The people have been facing many environmental problems, without being prepared to fix and solve the problems. Most people can only reduce the usage of water and forest resource while shifting to other ways possible in getting waters from other area or buying products from the city which in the past they can gather easily from the forest. The people are left without the knowledge and ability in overcoming the environmental degradation due to the roadlink construction.

## **Personal Security**

The people feels safer now compared with the past where the conflicts between KNU and Myanmar Army were in place. There were no sense of personal security then, people are displaced due to the conflicts, as well as many people were killed. There were stories of young men of the villages were forced to be porter for the Myanmar Army. At the moment, the people feel less threat of physical violence and more of threat in other forms such as economic and livelihood.

## **Political Security**

People see that community level decision making in the village level that during recent years has been improved if they have something to decide relate with village level, they take the decision from the whole village meeting that they can manage their own decision freely. Also the village administrative leaders also support them. On connection with Media, they think that It is good for them because of having connection with Media, help them to raise their voices and cases through Media and people and decision makers are keeping their attentions about the village issues. People aspires for a better political situation in Myanmar, they want stronger representative who will take care and work for communities more democratic groups need to be in the parliament. The representative should be people center persons, who are working for people than political party. In the regional level, ethnic party should be stronger than others. There are hopes that more political parties can

understand the needs of businessman. He agrees that politicians should be the leaders in shaping good policy which will create good condition for business. Peacebuilding is positively affected due to the situation that KNU agree to comply with the Myanmar government to build a roadmap together and encourage investment to come to the region.

## CHAPTER VI

### CONCLUSION

#### **Military Brotherhood - Political legitimacy and economic prosperity**

Given the influential role that the Thai and Myanmar militaries play in their respective countries public politics, and the upcoming elections in 2015/16, both militaries are in need of building their legitimacy. To this end, they aim to demonstrate that they can generate economic prosperity and provide national security. This paper has argued that under the current political context of military government, there has been a shift from governing the border through hard power, namely building control over the border through military strength, towards exercising soft power through cross-cooperation on economic development projects and initiatives.

For Thailand and the government of Prime Minister Prayuth, priorities include: recovering Thailand's flagging economic growth, including through infrastructure investment that includes the Dawei SEZ in Myanmar; the return of refugees located in camps in Thailand; better regulating economic migrants, including creating SEZs in the border regions; and other considerations, such as controlling the illicit flows of drugs. Meanwhile, for Myanmar and the government of President Thein Sein, priorities include: industrialization and national economic growth; and closing a deal on the peace process for a permanent ceasefire and towards a national political agreement, which relates to the ability of the Myanmar military to govern ethnic states and the armed groups within them.

However, as explored in the case study of Tanintharyi Region, the so-called peace process is better named a process of conflict transformation. Wide-ranging economic investments by Thailand, increasingly enabled by the democratization process in Myanmar and the Myanmar's government's preliminary ceasefire with the KNU since January 2012, are reshaping the economic, political, social and environmental landscape across the border and in the border areas. Alliances amongst powerful political and economics elites are shifting, and the local communities left vulnerable to new forms of insecurity. The types of projects being developed involve control of land and natural resources, which are resulting in community resource dispossession with limited recourse to participation, compensation or justice.

Whilst both the Thai and the Burmese military still believe in the demarcation of the national border, they have also crossed a line by cooperating to govern it through a "military brotherhood". Promoting economic development of the border ultimately also serves the interests of both militaries in a more traditional security sense. At the same time, it facilitates established and new elites to capture economic benefits. Thus, whether the shift towards governing the border for development is also a shift towards a more human security-centered approach is highly debatable.

#### **Cross-border investment, economic cooperation and governing the border**

Facing a need to address its legitimacy deficit and based on its critique of the government it replaced, Thailand's military government has stated that it will recover Thailand's flagging economy. In 2013, sustained anti-governments protests had paralyzed Bangkok and were undermining investor confidence in Thailand, whilst controversy around

the previous government's rice-pledging scheme was later revealed to have placed a heavy burden on public expenses (Finch, 2014). Structurally, Thailand appears to be caught in a middle income trap (Phongpaichit and Benyaapikul, 2013).

When not under military rule, Thailand's political system has taken the form of a semi-democratic government or guided democracy led by neo-oligarchic group. The country's economic and social policy, however, has continually been driven by aspirations for industrial development, including investment in transportation infrastructure, water management infrastructure, and reform of state-owned enterprises, in the hope that ensuring economic growth would trickle down to all of society. Yet, in recent years, growth of Thailand's export-orientated economy has significantly slowed; compared to the boom years of the late 1980s, when between 1987 and 1989 export growth exceeded 20%, in 2014 it is expected to expand by less than 1% (Pananond, 2014)

The Thai military government thus has proposed more infrastructure development projects and special industrial economic areas, including in border areas with Myanmar on both the Thai and Myanmar side of the border, in order to boost Thailand's economic growth. Major FDI investment in Myanmar, such as Dawei SEZ and various gas projects and electricity-export hydropower dams, are also seen as strategically important to Thailand's long-term economic growth. The military government has also sought to address other – from its perspective - long-standing concerns, including: the return of refugees located in camps in Thailand on the Thai-Myanmar border; and the informal migrants from Myanmar.

Following Myanmar's democratic transition in 2010 and 2015 election, and indications of some progress in the peace process, the Thai government has informally initiated a process of preparations for voluntary repatriation. Ethnic people living in the camps would be asked to make a choice either becoming economic migrants or seeking refugee status. In the camp, the granting of individual and family registration, birth certificate as well as registration and personal ID as camp population continue to be applied as before. However, for those who might become economic migrants, it has been reported that a number of displaced persons have been asked to participate in vocational trainings for job opportunities in Myanmar if they plan to go home<sup>93</sup>. Meanwhile, regarding seeking refugee status, although the resettlement option has been closed for quite some time, individual cases of family reunion or group considerations for resettlement to a third country is still open to application in the camps<sup>94</sup>. For those who seek refugee status and thus to stay in the camps, the Thai authorities will apply increasingly strict regulations for camp committees as well as closing down of freedom of movement to and from the camps.

Regarding economic migrants from Myanmar, Thailand depends very much upon these workers for its economy, including in the construction, fishing and fish processing, and manufacturing industries. As of 2013, an estimated 3,721,735 migrants were located in Thailand, the majority of whom are informal, constituting 5.5% of Thailand's total population (UN DESA, 2013). Of these, just under half (1,892,480 people) were estimated to be from Myanmar<sup>95</sup>. Yet, many of these migrants end up in 3D (dirty, dangerous and

<sup>93</sup> The authorities have recently placed greater restrictions to outsiders to enter the camps

<sup>94</sup> Reflecting a long-standing policy position of the RTG, local settlement as a durable solution still remains not an option

<sup>95</sup> IOM summarize the main “push” and “pull” factors as follows: “Main push factors are related to limited livelihoods, poor socio-economic conditions, and insecurities created by prolonged conflicts in the source communities. Better wages and demand for less skilled labours in neighbouring countries act as pull-factors for

demeaning) work, and are at risk of human rights violation including as “*victims of trafficking and smuggled migrants who are exposed to abuses such as extortion, debt bondage and physical exploitation*” (IOM, 2014).

Both the Thailand and Myanmar governments are now focusing on regulating migrant workers through their border area’s policy for their national security and for economic development. This includes a collaboration to set up special economic zones in several places. The Thai military government has proposed 5 border areas in total within Thailand, which includes Mae Sot in Tak and Sangklaburi in Kanchanaburi provinces that borders Myanmar<sup>96</sup>. Meanwhile, on the Myanmar side of the border, the Myanmar government is in the process of establishing SEZs at Myawaddy in Karen state (located opposite MaeSot town) and at Phaya Thongzu in Mon state (located opposite the Three Pagoda checkpoint at Kanchanaburi Province).

These SEZs can be seen as serving various purposes. They are intended to boost economic growth and cross-border trade, first in the form mainly of border trade, and in the longer term internationally. The SEZs in Myanmar, based on labor intensive production, benefit from labor that is cheaper than Thai labor, including formally employed Myanmar labor in Thailand<sup>97</sup>. From Thailand’s perspective, placing SEZs in border areas either in Thailand or the neighboring country enables greater control of the movement of migrant labor away from inner cities and Bangkok. Furthermore, since Myanmar still has another 19 years of tariff free access to the EU and US, with Thai investment in the SEZs in Myanmar it could contribute towards Thailand addressing its middle-income trap challenge. Meanwhile, from the Myanmar government’s perspective, the SEZs in ethnic states are an important strategy within the peace process for transforming the sources of armed groups to come from legitimate business.

Regarding foreign direct investment in mega-projects, Thai businessmen were among the first foreign investors to gain major business concessions near the Thai-Myanmar border. In the 1990s, Thailand’s PTT Exploration and Production PCL was part of consortium that invested in exploring and importing natural gas via the Yandana gas pipeline, and has also sought to build a cascade of power-export hydropower projects on the Salween River that passes through Shan, Kayah and Mon states and in part forms the Thai-Myanmar border (Middleton, 2012). Thai investors also secured various mining concessions in the 2000s, for example the Heinda mine in which is currently subject to a court case the post-transition period in Myanmar (see below). Most recently, Thailand’s military government has continued to pursue the Dawei SEZ that was initiated during the earlier coup-instated government of General Surayud Chulanont who signed the project’s first Memorandum of Understanding (see below).

In sum, the Thai military government’s strategy towards the border shared with Myanmar encompasses a number of long-standing considerations including: refugee policy; economic migrant policy; economic development at the border area; and FDI in to Myanmar within nearby provinces. Since the instatement of the military government in April 2014,

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the migrants.” IOM Website: <http://www.iom.int/cms/en/sites/iom/home/where-we-work/asia-and-the-pacific/myanmar.html>

<sup>96</sup> Other sites are Aranyaprathet and Trat provinces at the Cambodia border, and Songkla province bordering Malaysia.

<sup>97</sup> Thailand’s minimum wage is currently 300 baht/ day (approx. US\$10/ day). This is significantly higher than the average industrial wage in Myanmar, which is approximately US\$80 per month.

rather than emphasize on national or state security alone, the Thai military government has redefined and enhanced the implementation of ‘security’ to include economic activities and involve other actors, in particular the Myanmar government although this has implications for a wider array of actors, including local communities on both side of the border, ethnic armed groups and political parties, and investors. Addressing issues related to refugees, economic migrants and economic growth are important factors (amongst others) by which the performance of the military junta will be evaluated come the return to democracy, now postponed from 2015 to 2016.

### **Dawei SEZ & Road-link Project: FDI in infrastructure and counter-movement**

The Dawei SEZ emerged under a series of exceptional political circumstances in Myanmar. The project was initiated by a Memorandum of Understanding (MoU) between the governments of Myanmar and Thailand, signed in May 2008 a few days after cyclone Nargis that caused the deaths of more than 140,000 people in Myanmar. One month later, the Myanmar Port Authority signed a MoU with ITD for it to survey the site. In November 2010, five days before the 2010 general election in Myanmar that heralded the transition to President Thein Sein’s government, the military junta government and ITD signed a Build-Operate-Transfer (BOT) framework agreement, allowing ITD to start infrastructure construction under a 60-year concession agreement. Whilst in late 2010, the International Herald Tribune had labeled the Dawei SEZ “An Industrial Project That Could Change Myanmar” (IHT 2010), by late 2012 it became apparent to the Myanmar government that the US\$8.5 billion initially sought by the DDC from investors would not be raised. In July 2012, steps were taken to reformulate the project design to become a government-to-government (G-to-G) project between the Governments of Myanmar and Thailand, and in November 2013 ITD’s concession contract was cancelled (Wiriyapong and Praiwan 2013). The concession rights were transferred to a Special Purpose Vehicle owned equally by the two governments, and the project’s temporary suspension was announced in December 2013 (DDA 2014a).

During this period of project development, the Dawei SEZ had been mired in legal ambiguity. The first Myanmar Special Economic Zone Law and the Dawei Special Economic Zone Law were enacted in January 2011 by the former military government, just two months before they stepped down in March, 2011. However, according to community members, as reported by DDA (2014a), work on the Dawei SEZ actually started in 2010. Meanwhile, a new Myanmar Special Economic Zone Law was enacted in January, 2014.

The Dawei SEZ evoked resistance from local community groups and various civil society groups in Dawei and Yangon seeking to defend communities’ rights to livelihood, access to natural resources, and participation in any development process that affects them. Given the transnational nature of the Dawei SEZ, they also built trans-border collaborations with Thai civil society (TERRA 2012). International civil society groups have also monitored the project, including the Transnational Institute and the International Commission of Jurists, amongst others. As Hall (2012) flags, capitalism and its arrangements for private property require an institutional and legal framework. In the case of the Dawei SEZ and the roadlink, ambiguities in this framework – coupled with the massive scale of the project in this context – appear to have weakened the economic feasibility of the project.

### **Local Responses and Social Movement from the Ground**

When the Dawei SEZ and road-link project was first announced to local villagers,

according to community members interviewed, the village headman at-the-time only followed his superior's orders and did not consult with them. Instead, he provided administrative support to project developer, and in mid-2010, together with township administrators, tried to force the community members to sign an agreement. However, emboldened by the political change underway in Myanmar and their own sense of independence, the community members resisted signing the agreement and opposed the project.

Whilst the Dawei SEZ and its access road have set in motion dynamics that follow their own logic, land grabbing has occurred in the village by local businessmen from outside the community for speculative purposes. Local businessmen have taken advantage of access to the official land administration system and bias inherent within it. The land grabbing has displaced some of the forests where non-timber forest products are collected, and also land that the community members had set aside for future plantation development. Moreover, an access road constructed by ITD between the Dawei SEZ and Thailand has passed through the administrative area of local village. Although the access road had been constructed for a year, the community members whose land had been affected had not yet received compensation.

To understand local responses and social movement from the ground, actions of local villagers must be contextualized with their relationship to the wider social movement around the Dawei SEZ, which incorporated local people from Tanintharyi Region within the Dawei SEZ and along the access road, as well as civil society groups in Dawei, Yangon, Thailand and beyond. The opening political space since 2010, including a reduction in the most overt forms of state repression, growing media freedoms, the expanding role of civil society, local and national democratic elections, the emergence of new elite allies (such as politicians), and gradual improvements in access to/ accountability of the state, all offer new opportunities for activists and associated social movements to shape policy and project decisions (Jones 2014; Egretteau and Robinne 2016). Through mobilizing various resources and seizing political opportunities, local communities are able to challenge infrastructure development project. Their actions, in turn, have contributed towards a gradual shifting in the norms in Myanmar in terms of the accountability of the state, international, and local investors. In this context, the significance of social movements as counter-movements should be seen as a constructive and legitimate means towards a future development that is genuinely inclusive, sustainable, and accountable.

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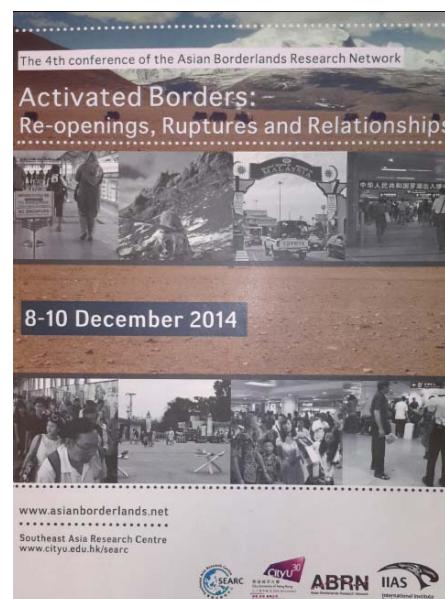
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## PAPER PRESENTATIONS

**First Paper Presentation in Hong Kong at the 4th Conference of the Asian Borderlands Research Network Activated Borders: Re-openings, Ruptures and Relationships** on 8-10 December 2014 Southeast Asia Research Centre, City University of Hong Kong, <<http://www.asianborderlands.net/activated-borders-re-openings-ruptures-and-relationships>> we presented a paper titled: “**Military Brotherhood between Thailand and Myanmar: From Ruling to Governing the Borderlands**” at Panel 16: Activated Borders and Transforming Border Regimes in a Thai-Myanmar Borderland.



**Second Paper Presentation in Chiang Mai, Thailand at The International Conference on Burma/Myanmar Studies 2015: "Burma/Myanmar in Transition: Connectivity, Changes and Challenges"** at University Academic Service Center (UNISERV), Chiang Mai University, Thailand from July 24 - 26, 2015. We presented a paper titled "***Where does this road take us?: Economic and Political Transformations in Villages along the Dawei Roadlink Project***" on 25 July 2015 at 14.00-15.30. Web:

<<http://rcsd.soc.cmu.ac.th/web/Burma/home.php>> Details of the panel are as follows:

<b>Panel 29: Tanintharyi Region in Transition: Transnational Dynamics and Local Responses</b>
Naruemon Thabchumpon, Carl Middleton et al, Chulalongkorn University: <b>Where Does This Road Take us?: Economic and Political Transformations in Villages along the Dawei Roadlink Project</b>
Thant Zin and Myo Thu, Dawei Development Association: <b>Voices from the Ground: Situation and Impacts at the Dawei Special Economic Zone</b>
Saw Frankie Abreu and Naw Moo Kho Paw, TRIP-NET: <b>Resilience to Challenges: Indigenous Knowledge in relations to the Kamoethway River</b>
Areewan Somboonwattna, SEM and Luntharima Longcharoen, TEERA: <b>Responding to Transnational Investment: The Role and Responsibilities of Trans-border Social Movements</b>
Ashley Scott Kelly and Dorothy Tang, University of Hong Kong: <b>Opening Tenasserim: Governance Models for Frontier Infrastructure</b>
Chair: Naruemon Thabchumpon, Chulalongkorn University
Discussant: Kevin Woods, University of California, Berkeley



