Examining Foreign Direct Investment in Mon State, Burma

A report by

The Human Rights Foundation of Monland – Burma [HURFOM]

July 2016
Examining Foreign Direct Investment in Mon State, Burma

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Human Rights Foundation of Monland [HURFOM]

The Human Rights Foundation of Monland [HURFORM] was founded by pro-democracy students from the 1988 uprising and more recent activists and Mon community leaders and youths, and it main aim is for the restoration of democracy, human rights and genuine peace in Burma. HURFORM provide information and reports to all campaign organizations to get helps from the international community for democratic reform in Burma.

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<table>
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<th>Abbreviation</th>
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<tr>
<td>CBO</td>
<td>Community Based Organisations</td>
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<td>CSO</td>
<td>Civil Society Organisations</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>HURFOM</td>
<td>Human Rights Foundation of Monland</td>
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<td>JICA</td>
<td>Japanese International Cooperation Agency</td>
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<td>LUC</td>
<td>Land Use Certificate</td>
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<td>MATA</td>
<td>Myanmar Alliance for Transparency and Accountability</td>
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<td>MCL</td>
<td>Moulmein Company Limited</td>
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<td>MIC</td>
<td>Myanmar Investment Commission</td>
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<td>MNP</td>
<td>Mon National Party</td>
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<td>MOA</td>
<td>Memorandum of Agreement</td>
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<td>NLD</td>
<td>National League for Democracy</td>
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<td>Social Impact Assessment</td>
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<td>SDP</td>
<td>Union Solidarity and Development Party</td>
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<td>SCG</td>
<td>Siam Cement Group</td>
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<td>SLORC</td>
<td>State Law and Order Restoration Council</td>
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<td>TTCL</td>
<td>Toyo-Thai Company Limited</td>
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<td>UNFCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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1. INTRODUCTION

Over the years, the Human Rights Foundation of Monland (HURFOM) has produced a number of accounts highlighting the hardship faced by Mon people who have become victims to land confiscation. In this report, HURFOM reports on the effects from the recent surge of Foreign Direct Investment (FDI) coming into Burma.

This FDI report aims to elaborate on the activities of and express solidarity with local people who are directly or indirectly being affected by FDI, especially linked to companies that will burn coal to fire their power plants. To exhibit current challenges and bring into focus some of the key obstacles and changes in the Mon context, this report uses case studies of appeals and direct interviews with people living in Mon State, who are also living in the vicinity of new investment projects. It will specifically look at different Townships in Mon State which have new or older investment projects. HURFOM recommends effective and immediate solutions to the problems that these foreign investors create, especially in relation to environmental destruction and displacement.

This report will discuss the different and complex ways in which FDI influences and changes the lives of local people, not only changes in agriculture but also how they have to adjust their way of life. FDI cripples their livelihoods, physically and mentally, changing Burma’s minority ethnic communities.

This report is considered essential for raising awareness and gaining a better understanding of good governance shortcomings in relation to violations by industries, especially concerning the protection of the livelihoods of local people. Furthermore, it may serve as an input for discussions and formulations of guidelines, rules and legal documents to protect local people against exploitation, land-grabbing, land confiscation and unfair compensation. Finally, it will support the country in tackling the present day and future challenges in order to create a prosperous future in equality, not only for a few, but for all people of Burma.
2. BACKGROUND

2.1 Brief Introduction

Burma’s FDI has seen a rapid growth over the last 5 years, thanks to President Thein Sein who put in motion a new FDI Law in 2011. The FDI market was opened up to the outside allowing a number of investments to be made in an untouched market. \(^1\) FDI has generated a positive change for the country; however, this change can also affect the local population in a negative manner.

The FDI in a country is vital to improve economic development. The level of investment represents a key process to add to sustainable economic growth. For many companies, investing in Burma is seen to be cheap with a high quality of usable and clean land and water. FDI in Burma has increased to more than $8 billion USD in 2016 alone due to the opening-up of its sectors. \(^2\) FDI gives Burma an opportunity to build and strengthen relationships by inviting new companies, developing advantageous businesses, and sharing knowledge across the diverse sectors. \(^3\) FDI companies have been keen to invest in infrastructure, especially which facilitates resource extraction. This has led to a heightened interest in coal as a power generating source, and was emphasized in the government’s 2016 Energy Master Plan. \(^4\)

Currently, Burma has many laws and regulations that are out-dated and inadequate for the new Democratic government. Property rights are not well established and land confiscation is still a major issue. Investor protection and the criteria for foreign

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\(^2\) Dr. Thin Thin Kyi. International Conference on Burma/Myanmar Studies, “Burma/Myanmar in Transition: Connectivity, Changes and Challenges”, University Academic Service Centre (UNISERV), Chiang Mai University, Thailand, 24-25 July, 2015

\(^3\) HURFOM “Equity and accountability in Burma entails more than FDI alone”, September 2012

\(^4\) On 8 January 2016, Burma’s National Energy Management Committee launched the Myanmar Energy Master place in Naypyitaw. The Plan “provides the supply of strategies through viable energy mix scenarios to secure the stable and reliable energy supply in the long term view. Moreover, this master plan is developed to ensure the efficient use of energy resources, to create effective investment environment, to employ innovative technologies and to minimize the environment and social impacts”. From, Myanmar Energy Partners, “Myanmar Energy Master Plan Launched”, Myanmar Energy Partners, 11 January 2016, accessed 13 July 2016, [http://www.myanmarenergypartners.com/blog/2016/1/11/myanmar-energy-master-plan-launched](http://www.myanmarenergypartners.com/blog/2016/1/11/myanmar-energy-master-plan-launched)
investments are not well-established, and in addition to weak rule of law, there are no proper tools for enforcing contracts, property rights, and for settling disputes. 5

Out of the 10 Townships in Mon State, Ye and Kyaikmayaw Townships are the most affected areas by natural resource extraction companies. Violation of land rights, social, economic and cultural abuses are most common when dealing with FDI.

A FDI project in Pharlain, Ye Township has created conflict amongst local people and has deeply divided the local community. Some FDI projects have not been started yet, such as near Kabyawa Beach, however, investors have been trying to buy land in advanced, especially because local people do not have the correct or up-to-date information regarding the projects. As the local community has been divided, there have been a lot of challenges for the local people, Community Based Organisations (CBO), Civil Society Organisations (CSO) and activists that are working against these projects. On the other hand, the 2012 Farmland Law and the FDI Law do not protect the rights of local farmers but favours these companies.

The current Farmland Law does not acknowledge customary laws, it has been reported that even government authorities have been involving in land grabbing processes in the past. For instance, the Siam Cement Group (SCG) and Pacific Link Company Limited jointly cooperated to invest in Moulmein Cement Limited (MCL). MCL, SCG and Pacific Link have apprehended a great deal of land in Kyaikmayaw Township. June Company has also been linked to land grabbing in Kyaikmayaw for their cement industry project. More details will be conveyed in this report.

2.2. New FDI Law

In March 2011, the former President, U Thein Sein, was officially confirmed as President of the quasi-civilian government and proclaimed its intents to make Burma more accessible for foreign investment in order to improve its economy and people. With land representing the country’s largest benefit, restructuring of the land sector was fundamental for the President and, in 2012, the government instigated reform of Burma’s land policy, opening up to foreign investment for large-scale agriculture and development projects.

President U Thein Sein government’s key approach comprised of the increase of industrial agriculture manufacturing through large-scale foreign investment, with huge areas of farmland seized in order to be made available to private companies and foreign investors. This trend has been aided by the recent 2012 farmland legislation, and has had profound consequences on the security of land ownership for farmers. However, the government law reforms are found to be in favour of the private sector, resulting in increased threats to the livelihoods of farmers and land users in the country.

According to the constitution of Burma, all land and natural resources in Burma ultimately belong to the State. The 2008 Constitution declares that the State continues to have ownership over all land, allowing local people the right to only use the land, resulting in a lack of land security.  

The 2012 Farmland Law was ratified in August 2012 and replaces previous laws that relate to the management of land. The government declared that the new land law

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6 The 2008 Constitution reiterates the 1974 Constitution when it maintains, in Section 37, Sub-Section (a) in Chapter 1 of the Basic Principles of the Union of the State Constitution (2008), that, “The Union is the ultimate owner of all lands and all natural resources above and below the ground, above and beneath the water and in the atmosphere in the Union”
intends to provide improved land security for farmers in Burma, but land activists assert that the law fails to provide accurate advances for Burma’s small-scale land users. Many law experts understood that the laws also support legal land confiscation of civilian farmland as it allows the government to confiscate land for infrastructure projects, development projects, and business interests supposed to be “of interest to the State”. The law recognises that the government or the investors who grab the land must offer compensation to the original owners in the event of land acquisition, but the law fails to enforce a fair compensation scheme. The one legal protection offered to farmers and land owners is the requirement that land for State project must be returned if the project is terminated or not carried out within the prescribed timeframe (Article 32).

Under the new Farmland Law, original land owners may apply to the Farmland Management Committee for approval of their Land Use Certificate (LUC), and legally register their land with the State Land Records Department to obtain formally recognized land rights. However, the Farmland Law works to limit farmers’ access to justice as the process through which farmers must apply for an LUC and register for land use-rights is not clearly indicated in the Law. Bureaucratic charges are disproportionately high, and agencies within the Ministry of Agriculture and Irrigation have full jurisdiction on land disagreements, over the courts. Therefore, land owners are unable to register their land which allows for easy land grabbing situations.

The Vacant, Fallow, and Virgin Lands Management Law (VFV) passed in March 2012, allowing for the management of land to be categorized as fertile, unusable, or as wasteland by a single legal framework enforced and administered by the Central Committee for the Management of Vacant and Fallow Lands. 7 The VFV Law gives the Central Committee the power to classify land, authorising legal confiscation and reallocation of farmlands to investors, or individuals, for domestic activities or foreign investment, under the agreement of the Myanmar Investment

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7 This committee was formed by the government and one of the most corrupted committees for land distributions and managing. Most of the companies’ lands which forcibly grabs or bought with low prices were permitted by this committee.
Commission (MIC). ⁸ Again, this law also authorises the government to grab land that is required ‘in the interest of the State’. The Central Committee may grant up to 5,000 acres of land at one time, up to a maximum of 50,000 acres (Article 10), with lease periods of up to 30 years (Article 11).⁹

The 2012 Foreign Investment Law conceded in November 2012 and enforced by the MIC, allows foreign investors to work together with a Burmese company to lease land from the State or authorized private owners. The law specifies a 50 year maximum lease for investment projects, which may be extended another 20 years with consent from the central government (Article 31). Under this law, farmers whose land is confiscated and sold to private investors are vulnerable to eviction and dispossession of their land for up to 70 years. ¹⁰

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⁸ HURFOM received copies of applications from the JUNE Cement Industry Company which indicated to give permission of building factory in the grabbed farmlands
⁹ MCL and JUNE already granted 30 years permission from the central government and MIC each.
¹⁰ Many residents will never receive their loss lands back until their second generations according to this law
2.3. Recent reforms

In her recent speech, from 28 to 31 May 2012, to the World Economic Forum in Bangkok, Daw Aung San Suu Kyi highlighted the important role of transparency in Burma’s reforms. Until now, lack of transparency has prevented Burmese people from understanding, participating in, and preparing for their government’s decisions.

Oil, natural gas, and mining companies should be required to publicly report bonuses, payments, taxes, and other expenditures they make to the Burmese government. Payments should be conveyed on the basis by which they are determined, in most cases the terms of a lease, license, or production-sharing contract, so that local communities can track the income the government receives from natural resource exploitation. However, as we will see throughout, these points are still large issues for the local population. There is still a lack of transparency, accountability and access to correct and up-to-date information.

FDI affects the local population mostly in terms of employment, land grabbing and changes to their livelihoods. The laws around land ownership are in favour of the government and therefore the land of many farmers suddenly, without the knowledge of the farmer, gets taken away, leaving them with virtually nothing. There is a lack of transparency amongst local farmers and the government; therefore farmers are unaware of what is happening with their land and decisions companies are making based on their land.

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2.4. Coal issue

Coal provides about 40% of the world’s electricity. But it also produces 39% of global CO$_2$ emissions. Much of China’s air pollution is due to the burning of coal and many blame the millions of premature deaths on this burning of coal. During the 2015 United Nations Climate Change Conference, Burma was portrayed as ‘innocent’ in contributing to Global Warming through emission of greenhouse gasses as there are relatively limited petrol-using vehicles and no need to heat buildings. Turning to coal-fired power plants will severely amend the country's climate impact in a negative manner. In many places around the world, coal-power stations are progressively phased out or closed, due to the negative environmental, health and CO$_2$ emissions impact. According to Greenpeace

"Coal fired power plants are the biggest source of manmade CO$_2$ emissions. This makes coal energy the single greatest threat facing our climate."  

The Mon National Party (MNP) is strongly opposing any company that produces coal-powered electricity that may negatively affect the lives of people in Mon State and across Burma. Also, many politicians have shown to oppose the use of coal, particularly in Mon State Hluttaw (Parliament) where many have vowed to prevent the Ye Township power plant project.

In many countries, it is unacceptable to use coal-fired plants to produce electricity due to the environmental damages, reduction of natural resources, health problems and dangers to local civilians as well as the climatic changes that can be caused. All companies around the world understand the negative impacts of using coal; however, most corporations merely care about profits. It would be beneficial for society and companies to other fuels over coal-fired power; however, this is more costly. Many countries are now looking for alternatives to coal-fired power, by using cheap natural gas instead.

Due to Burma’s weaknesses in governance and rule of law, many companies are able to
enter the country and use coal to fire their plantations, mainly because most local
people are unaware of the negative effects and will not protest against these companies.
Various experts have held public discussions in order to communicate the negative
impacts of coal-fired plants to villagers, especially near the Pyar Taung, Kyaikmayaw
Township, where FDI are looking to construct their industries.  

Local experts have expressed their concerns about the use of coal:

> “Water will be contaminated and Sulphur dioxide and nitrogen oxide will be
produced. Sulphuric acid is the main waste and it can cause pulmonary diseases.
The waste water contains arson and arson can be malignant in the kidneys and
digestive system. The particles produced by the burning of coal can affect the
respiratory system”. Even though they said they can refine the waste, the waste
produces sulphur dioxide. Even clean coal technology can clean only 70% of the
sulphur dioxide. Clean coal technology creates a tank to maintain coal ash but if
there is too much rain, the ash will flow out of the tank. It’s dangerous”.

Lignite coal, which is soft and highly polluting, is one of the minerals mined in Burma.
Two coal-fired power plants have been established in Burma, MCL and Toyo-Thai
Company Limited (TTCL), and many more are in the works. Although, the rest of the
world (including neighbouring China) seeks to close down coal powered facilities and
switch to better energy sources. Communities and organisations in Burma are
increasingly becoming more informed and vocal about the effects of coal-fired power
plants. The two main companies which local people are opposing are: MCL’s 40MW
plant which will gain power "from coal and biomass" for the cement plant. It is
estimated that they have already shipped 500,000 tons of coal to the plant; In Andin,
TTCL’s 1,280 MW plant will also been using coal to fire their power station.

Burma’s coal mines should be abandoned rather than expanded. Reports have found
enormous waste piles, increased landslides, extra water and air pollution, agricultural
issues, wildlife and river destruction from the coal mines of Tigyit in Shan State and the
Ban Chaung mine in Tenasserim Region. In Tenasserim Region, the Ban Chaung mine,

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March 2016, [http://monnews.org/2016/03/02/mnp-opposes-coal-fired-power-production/](http://monnews.org/2016/03/02/mnp-opposes-coal-fired-power-production/)
15 HURFOM, Interview No. 19, Dr. Win Myo Thu, Co-Founder and Director of ECODEV, Ngwe Moe Hotel, Moulmein Township, 22 April 2016
from East Star Company, has reportedly been discarding mining waste directly into streams, causing fish to die and local people to fall sick with skin diseases and rashes.  

General Secretary of the National League for Democracy (NLD), Aung San Suu Kyi, stated in a 2012 speech,

"[Burma] is rich in energy resources, but also needs investment. We look for responsible investment that is not only sensitive to the environment, but also secures the future of our country. We need to learn more about handling our energy resources. [Burma] also needs an effective energy policy."  

As the NLD, having won the 2015 national election, takes office, it remains unclear how the National Energy Policy will be implemented and whether or not Burma's Electricity Master Plan goal of 33% coal generated power will be moved to less destructive methods.

Figure 5: Kabyawa Beach

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3. METHODOLOGY

Since 1995 HURFOM has been engaged in documenting the voices of Mon populations with research methodology that was developed over the last 21 years of experience. HURFOM has been cataloguing the voices of local civilians and documenting human rights violations committed by the previous military regime, the army and its supporters. Some facts in this report may have already been published in HURFOM’s print issues on the Mon Forum or online.

In this report, HURFOM addresses the widespread issues that arise from FDI coming into Burma and specifically Mon State areas. The purpose of this report is to share information to the public on FDI companies who are interested in or have already started to invest in Mon territories, and to help find solutions. There are nearly a dozen domestic and foreign companies in Mon State today. Many projects have been investing in the extraction of natural resources and investing in projects that exploit public trust by convincing local people that the project will be in favour of local development. This report will highlight these issues and address the concerns around the lack of transparency and environmental conservation destruction. Companies have been violating land rights of the local people under the Farmland Law and the Investment Law, as these do not provide full protection of the local people.
This report relies primarily on oral testimonies and interviews. Interviews were conducted in person whenever possible. Field reporters shared interview transcripts and field notes with HURFOM via online communications. The interviews were unstructured and therefore allowed for multiple follow-up questions without remaining on one issue around FDI. All interviews and workshop notes were conducted in the Mon language. Recorded audio files were sent back to Thailand’s office for transcription, translation into English and data analysis. Some interviews were not up to HURFOM standard and were therefore not included due to the lack of knowledge and inability to fully understand HURFOM’s questions due to technical terms used, for example questions on natural resource extraction process and the ecosystem appeared to be difficult for some to answer.

Research for this report was conducted from January to June 2016. During this 6 month period, 4 field reporters mainly focused on Kyaikmayaw Township and Ye Township, visiting these areas 15 times in 6 months. The field researchers also visited Moulmein Township, Kyaikhto Township, and Paung Township in order to collect broader fact-finding information and evidence relating to FDI and the impacts. Ethnic communities in these areas have experienced high rates of abuses surrounding large-scale development projects which will be further discussed in this report. Interviewers also attended a
regional press conference held by the Southern Myanmar Journalist Network in Moulmein, in which information from one previous interviewee was recorded twice due to the fact that this person also spoke about the same topic at the conference. 19

Where possible HURFOM uses the real names of interviewees, although some requested to remain anonymous or to appear under an alias given security concerns related to their cases. Similarly, for the protection of interviewees and at their request, in some cases their precise locations are not listed.

In addition to new materials collected, this report includes information, testimonies and images from HURFOM’s extensive archives. It also draws on the growing number of news articles and research documents available surrounding FDI and rights in Burma, supplemented by original legal documents. As far as possible, HURFOM aimed to analyse research collected in Mon regions in the context of wider FDI issues throughout Burma.

Initial analysis of the interviews revealed that land loss and coal-fired power stations to produce electricity were the two main issues along with the lack of transparency. All interviewees that discussed coal-fired power were against the use of coal due to the negative impacts, including environmental destruction and pollution. Interestingly, those from Pharlain, Ye Township, have been exposed and informed about the environmental impact from using coal and therefore have a clear understanding of the impacts for short, medium and long term. However, those from Kyaikmayaw Township do not fully understand the impacts from using coal, but they understand that it is not good to use coal. Many from Kyaikmayaw were unable to further explain why they were against coal because they have not been educated on the impacts. A significant amount of interviewees were complaining about the direct impacts from companies such as noise from stone mining, and an increase of dust in the air, effect on fishing or increased road accidents. Therefore, it is essential to raise awareness and expose the wide array of issues local people are facing due to FDI.

To do field-based fact finding research relating to FDI impacts, HURFOM categorized questions into two topics – the impacts local people have been experiencing and the potential impacts that could occur in the future. HURFOM also asked various questions relating to air and water pollution and how this impacts the local heritage and social activities. Most interviews were mainly discussing ones experiences and feelings towards FDI; however, HURFOM is very careful about the accuracy of their data. HURFOM understand that many local people have a limited amount of knowledge on environmental issues and could therefore not provide technical responses. Many interviewees were only able to give their opinions. Having said this, HURFOM also

19 HURFOM, U Aung Tin Oo, Interview No. 6 and 9, Chairman of the Kyaikmayaw Fishermen Association, Kyaikmayaw Township, March 10, 2016 (press conference)
interviewed those who were working in the environmental sector and were able to discuss the environmental impact in more detail. Politicians, political analysers, human rights educators and trainers, activists were interviewed and their responses were vital for understanding the impacts from a technical position. These interviewees were able to discuss questions in details on topics such as the Investment Law, MIC, coal-fired power plant projects, Environmental Impact Assessment (EIA), Social Impact Assessment (SIA), and company ethics.

Where possible, cases represented here are given in the fullest and most accurate detail possible, with hopes that the information gathered in this report may be used as an advocacy tool for advancing the cases of the victims. HURFOM attempted to contact several FDI companies; however, they were uncooperative regarding questions about the coal-fired power plants. Some information can also appear to be bias because most of the interviewees were local villagers. A handful of those are educated or hold a higher position.

A significant amount of interviewees discussed the issue of transparency and the lack of it. Local people have increasingly shown their interest in fighting for justice and attempting to get their land back, however, due to the current laws and system, it is incredibly difficult for land owners to get compensation or their land back.
4. LOCAL CONDITIONS PRIOR TO FDI

It is important to look at life before FDI moved to Mon State in order to understand how these changes will affect the lives of local villagers and their livelihoods. A significant number of lands consist of rubber plantations, plantation gardens, and general farmland. Many local people rely on the land for their income and farming. A number of foreign companies have invested in Burma’s resources and supported Burma’s development.

Figure 8 Distribution of Interviewees by Opinions on Company (HURFOM Interview Data)
4.1. Companies

SCG, MCL and June Companies and Location in more detail

SCG is the largest cement company in Thailand and Southeast Asia. In 2015, it was also ranked as the 4th largest company in Thailand. The company has 5 core business areas: chemicals, paper, cement, building materials and distribution. SCG arrived in Burma around 2007-08 and immediately began purchasing and measuring land. Local people claimed that SCG paid a fair price for the land they purchased and also did not coerce owners to sell their land. It has been reported that overall they bought around 3,000 acres but are only using 2,000 acres. SCG and Pacific Link Cement Industry are building a $400 million USD cement plant near Pyar Taung Limestone Mountain in eastern Kyaikmayaw. Local people have been worried about the impact of the industry, and therefore SCG invited local monks to take a tour to the company in Thailand to learn more about their industry. The tour included Buddhist Monks and local residents from the industry area of Pyar Taung Limestone Mountain. This is discussed in the next Chapter 5.3.3.1. MCL introductory expedition.

SCG collaborated with Pacific Link Cement Industries Limited to create MCL. MCL registered on May 7, 2013 to the Myanmar Investment Commission. 30% of the company is owned by Pacific-Link and the remaining 70% by SCG. MCL is the first

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company in Burma which automatically conducts Environmental Impact Assessments (EIA) and applies it, unlike other companies. MCL is in the construction of a 40 MW coal-fired cement power plant, costing 12.4 billion baht in Kyaikmayaw Township, Mon State. 21

According to MCL, the factory is an integrated cement plant that will use a coal-fired plant and bio waste for its needs. 9 MW will be generated by a waste heat generator to reduce greenhouse gas emissions.

MCL is located in the vicinity of Pyar Taung, a limestone mountain which also houses traditional culture and customs and therefore an EIA would be vital. The company has the intention to finish the construction by 2018 but, in June 2016, they started testing the factory. It is predicted that the factory will produce 5,000 tons of cement per day, which is equal to 1.07 million tons per year. MCL’s managing Director, Wijit Terasarun told the Myanmar Times Newspaper in February 2016 that the company completed the EIA through Resource and Environment Myanmar, and claimed that they had already submitted the documents to MIC. However, the findings and evaluations of the EIA/SIA were never published.

June Company Limited arrived in Burma in 2011, and has acquired around 700 acres of land along the eastern bank of the Kyiakmayaw Township Ataran River, located in Ma Ka Ro and Kaw Pa Naw villages with the goal of initiating cement production in this area. MIC granted June Cement permission to build the factory at meeting number 11/2016 on 25 March, 2016. Construction of the factory started in late May 2016. The current plans are not related to MCL.

June and MCL production sites are located 3km East from Kyaikmayaw. It is situated next to Ataran River, where MCL has constructed a two-mile cement tunnel connecting to the river. Ataran River is, on average, 15 meter deep, 130 meter wide and 74 kilometre long. It has been said that MCL has built 2 or 3 ports connecting to the river. The Ataran is one of the few rivers in Burma that flow south to north. The Ataran plain is wide and liable to floods.

MCL and June are straddled by the Nidon and Pyar Taung Mountains. The whole mountain is about 4,800,000 square feet and 250 feet high. There is around 1,200,000,000 cubic feet of Limestone in the mountain which is equal to 90 million tons. June Company owns the north half of the mountain and MCL the south half. For residents, these mountains signify the heritage of their ancestors, with caves and mountaintops covered in ancient pagodas, cave paintings and religious artefacts. For investors, the mountains’ value lies in the resources beneath; the mountains contain a copious supply of coal.  

With MCL building their sight near Ataran River and attaching their own stream to this river, it can be predicted that this will affect the quality and flow of the water depending on where they plan to dispose of the waste. Many of the local people rely on the river for daily transportation, fishing and supply for clean water.

**22** HURFOM, ‘Disputed Territory: Mon Famers’ Fight Against Unjust Land Acquisition and Barriers to their Progress’, October 2013
Toyo-Thai Corporation Public Company Limited (TTCL) in more detail

On April 25, 2014 TTCL, the Ministry of Electricity of Mon State and the Myanmar Parliament reported that they will start to build a 1,280MW coal-fired power plant near Andin Village, Ye Township. Toyo-Thai has previously attempted to build a coal-fired power plant near Yangon but was unable to acquire land for the project. Therefore, they have moved to Andin, Pharlain region in Mon State instead and if plans proceed, TTCL will sell electricity from the coal-fired plant to the Myanmar government. The plant will be built on 500 acres of land and will become operational in 2017.

A jetty would need to be constructed in order to receive imported coal brought by a train or large freight ships. The community has expressed their concerns about the construction of the jetty as this can alter the sea floor, changing the marine habitat and fishing ground. The coal unloading jetty will be built 3 to 5km away from the shoreline after the seafront is examined. The unloading jetty will be used to receive imported coal.

23 http://englishnews.thaipbs.or.th/content/57655
60% of imported coal will come from Indonesia; 20% from Australia; and the remaining 20% from South Africa.

The project site will cover approximately 370.66 acres. The proposed project location would sit on one of Pharlain’s largest paddy fields near the entrance of Sanint Krate River. Pharlain Region refers to an area in north-western Ye, an important port city in southern Mon State. Pharlain Mountain stands along the coast between mainland and the Andaman Sea.

Being very close to the river and the sea allows for this region to have a wide variety of sea animals. The air remains fresh and crisp, free of visible pollution. There is a great variety of tropical fruits and healthy forestry. Pharlain Mountain is also surrounded by at least 1,893 acres of fertile paddies.

**Aurum Company Limited in more detail**

Among various places of choice, Ye Township has been the target for many new investments. Since 2014, a private company called Aurum Company Limited has been interested in investing in the beaches around Kaw Zar Village, including Kabyarwa beach as the land here is untouched and very rich in resources. The project is expected to cost $12 million.

![Figure 14: TTCL’s proposed construction site](image-url)
The planned resort will lie along Kanbyar Beach which is 27.2km from Ye town. They aim to include bungalows with 120 rooms, hotels, offices, restaurants, swimming pools, start quarters and car parks. The company has drawn on the idea of ecotourism in their marketing of the project, promising that the project will encourage “community-based tourism”.

4.2. Concept of Ecotourism

Ecotourism is a concept that has become very popular in recent years. Hetzer defines four principles of ecotourism: minimizing environment impacts; respecting host cultures; maximizing the benefits to local people; and maximizing tourist satisfaction. Today, the International Ecotourism Society defines ecotourism as, “Responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education”.  

At present, ecotourism means supporting village-based, small-scale initiatives. It is usually associated with mass tourism, or traditional tourism, which functions through large-scale projects run by big companies that are building huge infrastructure developments in tourist zones. Ecotourism comes from the incentives to change a


society by promoting new relationships between people, the environment and people around the world from different cultures.  

As tourism has increased, many countries will have seen various cultural impacts and forms of resource exploitation. In recent decades, communities have turned to ecotourism to protect and sustain their national resources. As Burma has started to open up there has been a massive wave of development projects, with investment being attracted from numerous countries.

In many parts of Burma, especially along the coast, many companies are considering Ecotourism as a plan to keep Burma’s ethnic minorities in tact but, at the same time, expose tourists to the vast array of scenery and cultural experiences.

Figure 16: Kabyawa Beach
4.3. Impact on Limestone and Caves

Limestone in Burma is an important raw material for the cement industry. Limestone caves hold significant artefacts but also house species which do not exist elsewhere.

The biodiversity of limestone ecosystems is highly distinctive and limited, consisting of species that are only able to cope with the extremely alkaline environment, withstand dry soil and rock conditions, and are limited to caves. Some species are even limited to a single limestone cave system, the extraction of which can lead to the species extinction or endangerment very quickly. For instance, the bumblebee bat, the smallest bat in the world weighing no more than 2 grams, live in a few caves in Mon and Kayin States.

Burma’s limestone caves also have archaeological and cultural significance; the Padah Lin holds the fragments of Neolithic culture, including 13,000 year old rock paintings of human hands and animals. Other caves are home to historic Buddhist temples with Buddha images dating back to the late 18th century. 27

Cement companies have started to destroy limestone ecosystems and cause species to become endangered or even extinct. However, if the government develops an acceptable EIA practice that can identify and avoid areas of high limestone biodiversity for the development of limestone mines, and if the cement industry applies best practices in limestone extraction, Burma can still safeguard their natural and cultural heritage. Finally, much of the surrounding areas where FDI want to invest are surrounded by Limestone Mountains, Rivers and natural forestry. An obvious problem that will occur is the destruction to the natural environment from actions such as mining and environmental pollution from running the factories.

5. HIGHLIGHTING VIOLATIONS

This chapter will discuss the rights of the people and the different situations in which they have been violated in regards to the law, their rights and specific circumstances where changes took place in more detail. HURFOM’s research revealed that there were various forms of misconduct that occurred from FDI in Mon State areas.

5.1. Previous Practices

When looking at land confiscation in the past, it was usually the military that would confiscate land from local people; however, today it is becoming more and more common for foreign and domestic companies to do this.

In the past several years it has been reported that plans for heavy cement production in the region of Kyaikmayaw began in 2005 with discussions between Hexa International Company Limited and the Union Solidarity and Development Party exploring a partnership and profit-sharing. The project would initially cover both Nidon Mountain on the western side of the Ataran River and Pyar Taung on the eastern side. Residents in Kyaikmayaw Township first learned of these plans in 2009, not long before government employees, local administration and company officials arrived to survey land in October 2010. The following month it was announced that the project had been jointly taken over by Zaykabar Company Limited and the 24 Hour General Services Company Limited. Zaykabar was to extract resources from Nidon Mountain to the west of Ataran River and the 24 Hour General Services would set up around Pyar Taung Mountain on the eastern bank. The 24 Hour General Services ended up pulled out of the project and was replaced by June Industry Company Limited. Later on Pacific Link also joined. In 2013, another company arrived in the area to establish a cement plant on the other side of Pyar Taung Mountain, directly competing with the June Company and compounding pressure on eastern bank

Figure 18: Hexa International Company Limited Permission Certificate 2005
residents to sell their land. This is now known to be the site of MCL and, at the time, they had already acquired 300 acres of land for the project.

In total, land acquisition by Zaykabar, June Industry, and Pacific link is known to have affected 10 villages. Previous research conducted by HURFOM detailed the misconduct throughout all companies’ negotiations with Kyaikmayaw farmers. Compensation offers were reported to be far below the land’s market values, companies showed no commitment to seeking free, prior and informed consent from residents in land acquisition (even using threats and deception to gain land), and to date compensation payments have no yet been received in full by many residents.  

5.2. Land confiscation

Illegal land confiscation is the leading problem that, for decades, has plagued Burma’s rural ethnic communities, and is one that continues to this day due to the increase of FDI, liberalization of the economy and a general lack of rule of law.

Burma has relished from a period of economic growth since mid-2000s, growth has drawn largely from the government’s misuse of Burma’s natural resources and its ethnic communities. As Burma emerges from decades of economic isolation, FDI companies are

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increasingly interested in investing in Burma’s vast natural resources of fertile land, rivers and limestone. With such interest and the possibility for economic gain, Burma is experiencing more land grabbing at the expense of ethnic communities by pushing people off their land and forcing them into poverty and displacement.

Previously, the government and the military have worked closely with business partners and foreign investors to confiscate land from local villagers for commercial purposes and large-scale development projects. It is obvious that land is essential for the livelihood of Burma’s rural ethnic communities, for reason that local people rely on farmland and forests for their livelihoods. As ethnic villagers, when plantations and farms are confiscated, it is almost impossible for them to find other areas of substantial employment without professional training, resulting in poverty and displacement, as stated previously. 29

Several land conflicts occurring after 2011 allegedly involved misconduct by domestic and foreign investors as they try to acquire land for development projects. For the most part this is not a new trend; since the State Law and Order Restoration Council moved away from Socialism in 1988 and towards a market economy, disputes over companies’ land acquisitions have routinely arisen. 30

Interviews for this research revealed that land confiscation is still a major problem as local people are not informed of any decisions, especially in regards to their land.

Figure 19: June Company proposed construction area

Since General Than Shwe’s government in 2010, and before Thein Sein government took power, Dr. Nu Nu Win from June Company organized a meeting with people from Kaw Dun, Kaw Pa Naw, and Me Ka Ro villages. At this meeting, June Company claimed they received permission from Than Shwe’s government to build a cement industry by the mountain. He also detailed that any land in the region must be given to the Company. Nonetheless, he did mention that they will not take the land for free unless local people refused to sell. Noticeably villagers did not want to sell their land, especially because in many cases this was their only source of income and the land was had been theirs for generations:

Nai Tun Gyi from Me Ka Ro Village elaborated on the situation:

“At first, they gave 300,000 kyat per acre and we said it was too little and they increased it to 350,000 kyat per acre. Local villagers then said Zaykabar is paying 400,000 kyat per acre. They responded that Zaykabar was not the same company and villagers should accept the amount. If they do not accept, the company claimed they will take the land anyway as they already received permission from General Than Shwe. After hearing this, farmers were shocked. That is why we decided to accept the compensation although it was too small.”

The one legal protection offered to farmers and land owners is found in the 2012 Farmland Act’s requirement that land for State projects must be returned if the project is terminated or not carried out within the prescribed timeframe (Article 32). However the lack of transparency surrounding company activities makes it difficult to know where a project stands, whether it is sanctioned by the State, or what timeframe is assigned to it.

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31 HURFOM, Interview No. 38, Nai Tun Gyi, Mon School Teacher, Me Ka Ro Village, Kyaikmayaw Township, May 2016
Residents of Ye and Kyaikmayaw Townships, who live in the areas of Pyar Taung limestone mountains and Pharlain regions, mostly do not possess formal land documents from the government as their farmlands was actively being cultivated for generations to generations. However, under the VFV Law, even community-managed land or natural resources like Pyar Taung limestone and forest land and cropping lands in Pharlain region, which are crucial to livelihoods and food security for the community, are in danger of land grabbing. As with the Farmland Law, the VFV Law allows for investors to acquire any lands not formally registered with an LUC, overruling entitlements to land based on customary land occupancy. If farmers do not hold official LUCs for VFV land, they are denied the right to compensation and their consent is disregarded during State acquisition of their lands. By this law, the local farmers of Kwan Ngan, Ka Don Sit, Kaw Pa Naw and Kaw Dun lost their land by forcing to handover their land to the cement companies with very unfair prices. The law fails to deliver a tool through which victims may access independent legal options.

5.2.1. Local experiences of Land Confiscation and Disputes

In most cases of forcibly buying land, mainly, Pacific Link, June Cement Industry and TTCL, the representatives for the companies forced local landowners to sell, stating that it was a state requirement and the land would be used for local development. This caused local villagers to sell the land under the name of “State” development with very low compensation.
Therefore, many local people have expressed that they feel cheated and neglected when it comes to the rights of their lands and being kept informed about decisions regarding FDI in their village.

As briefly stated in the previous section, often the problem is that land owners themselves do not know whether their land has been sold until they register for form-17. Villagers will complain about the misconduct but realize there is nothing that can and will be done to help return their land. It can be said that the companies and the government are abusing their power to gain land. Companies are benefiting from the fact that villagers have no knowledge or education on land rights.

Nai Win Aung, along with several other villagers in Kyaikmayaw Township, expressed that they were unaware and uninformed about the fact that their land had been sold. When they attempted to get their land back, they lost:

> “I arrived at a clerk’s house in Kyaikmayaw, and the clerk said my land is already owned by the company [MCL]. I cannot do anything anymore so we submitted a letter. They investigated the case. Then the company won. We continued to submit letters to Kyaikmayaw authorities. They investigated the case, and although the land was our land, the company won again when the decision was made. We don’t know how they won the case again”.  

In this specific case, Nai Wing Aung’s land was official sold in 2010 but he only discovered this in 2011 or 2012 when he went to register for form-17. Nai Shwe, Village chairman, also detailed:

> “The problem is that land owners did not sell the land but the land had been sold by an unknown person. Now they [villagers] have to sue to get their land back”.  

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32 Form-17 gives permission to work on farmland  
33 HURFOM Interview No. 4, Nai Win Aung, farmer, Kaw Dun/Kaw Pa Naw Village, Kyaikmayaw Township, April 2016  
34 HURFOM Interview No. 3, Nai Shwe, A Ngan Village Chairman, Kwan Ngan Village, Kyaikmayaw Township, May 2016
Interviewees from Kyaikmayaw reported when compensation was offered for their land, it was well below the market price. Where compensation was paid, it was described as negligible, and most victims reported receiving a reduced amount that they were promised or none at all.

Seemingly, not all farmers accepted offers of payment; some villagers refused to sign agreements for compensation they perceived to be unfair. However, with companies drawing on a variety of strategies to obtain land from residents, many farmers bowed to pressure and relinquished their land for a fraction of its value.

In the past, Nai Aung Mon, from Kwan Ngan Village, described Pacific Link’s attempts to buy support from villagers by giving them school material and mosquito nets. Another concern was that land owners also risked not receiving any compensation if they did not accept the price proposed at the start.

Previously, June Industry forced villagers to sell their land for 50,000 kyat per acre. It was said if people did not sell their land; the government would come and confiscate it, meaning land owners would not be compensated at all.

A common threat used by companies was the persistence that land was needed for a State-level project and if land owners did not hand over their land for the compensation offered, it would instead be forcibly confiscated for no payment whatsoever. The companies’ threats of State land confiscation with zero compensation cannot officially be upheld by law: the State can forcibly demand use of land, but the 1894 Land Acquisition Act (never repealed under military rule), and the new 2012 Farmland Law clearly state that in such

Figure 22: MCL representative presenting on pros and cons of Coal-fired power

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35 HURFOM, ‘Disputed Territory: Mon Famers’ Fight Against Unjust Land Acquisition and Barriers to their Progress’, October 2013
36 1 US Dollar equals 1192 Myanmar Kyat, May 2015. Therefore 50000 Kyat equals just under 42 US Dollar per acre
cases, unless the land is unregistered, some compensation must be paid.  

Villagers from Kaw Pa Naw Village explained:

“In 2013, U Zaw Lwin Oo from Pacific Link acquired a lot of land. There were a lot of arguments about the land among the Ka Don Sit villagers. We were not selling to our land to the company but we heard that it is a government project and if we don’t sell the land, they would take it for a ‘regional development project’. We had to accept their money because if we don’t accept it, we could have lost our land without any compensation and therefore most people sold their land at a low price. This issue highlights the problem that our local people feel really bad by such threats and any force or pressure from. The local people are innocent and understand nothing in relation to our rights. In this process, the land record and survey department is involved in it as well as the village administrator and people from the company who look for profits from the project are collaborating with them.”

Investors are also exploiting local people’s lack of legal knowledge and the movement of misinformation to obtain compensation agreements. As a result, many farmers gave consent without being fully informed of their rights or associated outcomes. Testimonies indicated that companies took advantage of the fact that many local people lacked financial knowledge, especially the lack of legal skills and awareness needed to successfully negotiate fair contracts with these investors. Many villagers are also unaware of the fair market values of the land.

U Taung Nyein from Kaw Dun Village, lost 5 acres of land, and expressed that the company had different price ranges depending on the type of land,

“They designate the land as R1, R2, and R3, and specified the land price for buying it. The prices range from 50,000 kyat to 500,000 kyat. If the land is specified as vacant or problematic land they just compensate a maximum 50,000 kyat. For some land, they pay depending on the tax invoice you have paid. For example, even if your land has 5 acres but your invoice says you own 3 acres, you will just be paid for 3 acres. So it is a lot of people that suffer.”

Villagers living near Kapyarwa beach have expressed their concerns about their land. On the one hand, their land will be worth a lot more money; however, for local people it is

37 The Land Acquisition Act (1894) Article 5; Farmland Act (2012), Article 26
38 HURFOM, a local farmer, Kaw Pa Naw village, Kyaikmayaw Township, 17 May 2016
39 HURFOM, Interview No. 28, U Taung Nyein, Farmer, Kaw Dun Village, Kyaikmayaw Township, April 2016
difficult to own the land on paper because it was generally owned by the previous generation and are therefore worried that they will not be receiving the correct amount.

Ko Soe Thein expressed his opinions on the cost of land:

“The price of the land will increase from 700,000 kyat to 26 million kyat per acre. But local people did not know this and sold their land at a low price. Those people who have money bought the land and resold it at a higher price to make a profit. Before, it was difficult to register for form-7 for local people, but for business people, it is not difficult to register for form-7”.

Nan Aye Mi Mi Tun from Tayat Kone Village, who is a member of Myanmar Alliance for Transparency and Accountability (MATA), commented on a Gold Mining Company that came and offered a fair compensation, however, local people were unaware of future problems:

“They just came and bought our land. They gave us a good price. For example, they paid us 10 times more than the actual price. People were willing to sell their land because of this price. Only when they implemented the project and when people began to see the negative impacts, people realized everything. Later, villagers were warned not to sell their land anymore”.

Nai Tun Gyi from Me Ka Ro Village also claimed that farmers were cheated and consequently lost their land. Villagers have taken action and reported the situation to the new government and are requesting that they take action. Local people are demanding a higher amount in compensation or alternatively, requesting that their land be...
Local people have voiced if they get their land back, they will also return the initial compensation they received from the company. \(^{42}\)

It is visible that not all companies are violating the Farmland Law; however, all of them have lacked transparency and have not given local people the correct and up-to-date information regarding their project.

### 5.3. Violations by Companies

Interviewees also discussed specific cases related to the Companies. This section will discuss the violations in relation to those Companies specifically.

#### 5.3.1. TTCL violations

It was proposed that the new 1,280 MW coal-fired project by TTCL would use 500 acres of local farmland. In Andin, TTCL cooperated with Lin Yaung Chi Oo Company Limited, a Burmese company, who had already bought 400 acres of land. TTCL have also stated that they would use ‘clean coal’ technology to power their station. Dr. Aung Naig Oo, from Mon State Hluttaw, also disagreed with the project due to the devastating effects that coal pollution can have on public health. He brought the concerns of the local people along with his own knowledge to Hluttaw, where they announced that a feasibility study for the project would not be allowed. Nonetheless, the federal government had signed the MOA. TTCL ignored the community’s opposition and proceeded to sign the MOA with the

\(^{42}\) HURFOM, Interview No. 38, Nai Tun Gyi, Mon School Teacher, Me Ka Ro Village, Kyaikmayaw Township, May 2016
Ministry of Electric Power on April 9, 2015. The MOA indicates the total investment to be 2.8 billion USD. At least 4 million tons of coal would be imported from Indonesia and elsewhere to feed the power plant throughout its 30-year operating concession. The construction would take 4-6 years before it generates electricity to be used domestically in Myanmar around 2019.  

Local people are remaining strong in disagreeing with the proposed coal-fired power plant project. On May 5, 2015, over 6,000 people joined Pharlain community to protest against the proposed coal-fired power plant project. By the end of 2015, the Deputy Minister of Electric Power, U Aung Than Oo, suspended the project. Local villagers still do not support or agree with the project. The community has been working hard to discover any information about the impacts of coal-fired power plants; how they can stop the project; and protect the environment.

Interviewed villagers continued to raised concerns about the proposed coal-fired power plant project, including: damage to traditional livelihoods, natural environment, and local economy; more pollution and waste; and coal is a leading cause of climate change. U Thein Naing from Andin Village expressed that the company has separated villagers due to the different opinions about projects, there are two sides:

“They [TTCL] have invested 2.8 billion. At first we were happy about their project but later we learned, from other organisations, that their project has negative impacts. We began to take action to oppose their project. We demanded from the government to stop the project. Union Vice-Ministers said they will cancel the project temporarily. We protested to government departments and to the company. There is separation in the village; those who support the project and those who are against it. It also affects the economy of the people because people feel it is not their land anymore after selling it to the company. Those opposing the company have set up campaigns such as put-up posters, collected signatures for a petition and hand-out stickers. I want to advise people in other places not to accept FDI easily. It is important to keep an eye on them’.  

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45 HURFOM, Presentation No. 1, U Thein Naing, Farmer, Andin Village, Ye Township, March 2016
Currently, TTCL’s project is on hold and further plans to build the power plants are uncertain. It is clear that the local population in this area does not support the project and are worried about their livelihoods and local environment.

5.3.2. Pacific Link Violations

According to local people, Pacific-Link coordinator, Daw Su Su Khin and former chief U Zaw Lwin Oo, started buying land from local landowners in 2011, with the assistance of former Kyiakmayaw Township Administrator, U Aung Naing. Villagers were offered a low price for their land and were pressured into sale. Residents were also told that the sale of land was a ‘State requirement’ and were threatened verbally and by force. Apparently, Pacific-Link targeted land from Me Ka Ro, Kaw Dun, Kaw Pa Naw, Ka Don Sit, Kwan Ngan. In 2011, they started excavating about 4.3 km of canal from the location of project to the Ataran River.

Villagers from Ka Don Sit complained about Pacific Link and how they were not transparency and open about any decisions:

“When they started excavating the canal in 2011 it was not a canal yet but later it became a canal. Here they just get limestone. We know the raw material as Gypsum, and they have to import it from Kayin or somewhere in our country but if they bring it to their project site, they need to cross the Attaran River and it needs to be transported by river. Then we understood that the canal was built

Figure 25: Land taken by Pacific Link in Me Ka Ro Village

for transportation. However, I know from one of my friends, who shares information about environmental issues, that they will use coal, and I understand that the purpose of the canal is to throw the waste into the water. I would like everyone to know that the Company's doesn’t have transparency. Our local people do not know about the company’s social, economic, health and environmental impact. The company lied and said that they have done a community survey and that most people agreed to the project. 47

Again, from interviews and research, this is a company that lacks transparency and has unjustly taken land from local people.

5.3.3. MCL violations

MCL is an interesting company, especially because it was created by SCG and Pacific Link. These two companies violated the Farmland Law and acquired land unfairly. MCL has tried to counter this by giving land owners compensation; however, land owners are upset about the lack of transparency and information sharing regarding the use of coal.

Until today, promises 48 from MCL have not been met along with the lack of transparency about their project. However, according to local people, MCL is one of the few companies that does not pressure land owners to sell their land and only buy from those who are willing to sell. Land owners that refused to sell their land is accepted by the MCL. Initially local people sold their land with no information or assurances as to the time-span or trajectory of the project. It was revealed at a later date that the company would be using coal to fire the factory.

47 HURFOM, Interview No.26, A Farmer from Ka Don Sit village, Kyaikmayaw Township, April 2016
48 These promises will be discussed in the next section
Local people are not against the company but are against the construction of a coal-fired power station, it appears that MCL does not show interest in local concerns or opinions. Nai Shwe Win from Me Ka Ro Village discussed how villagers submitted letters to Mon State Hluttaw to oppose the power station:

“On 25 April 2016 the first letter was submitted. On 27 April, Hluttaw invited 5 of them, together with 19 local monks, to discuss coal fired power with the vice chairperson, Dr. Aung Naing Oo. We shared our view that we cannot accept coal fired power project and Dr. Aung Naing Oo also shared his view. Next time, if we are invited again, we will have a chance to talk with the company but we don’t know when this is. Local monks aim to go to Nay Pyi Taw’s Hluttaw to meet with Daw Aung San Suu Kyi and president U Htin Kyaw. Dr. Aung Naing Oo suggested not to go to Nay Pyi Taw yet. They said they will come to our village to explain but they never did. We plan to report to them again. They used to tell us that if they cannot implement the project within three years, they will return the land to the original owners. Now it’s already been over 6 years. That’s why land owners are beginning to demand their land back”.  

Villagers are also conveying their concerns regarding the tunnel that MCL built. Residents were never consulted on its construction, and feel their rights have been disrespected. Local people are also worried about the impact this canal will have in regards to the fish and the water pollution. This will also be discussed further in chapter XI on Environmental Impact.

Min Soe works at the construction site of the factory in Ka Don Sit Village and reported since early May coal has been transported into the factory. He also claimed most workers are not allowed to bring smart phones to the site and the manager requests that non-smart phones remain off. It seems obvious that the company is hiding

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49 HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, May 2016
something and does not want workers or the public to understand how the company is operating behind closed doors. Only certain workers of status are allowed to enter the coal trenches mostly because:

“They worry that information about the coal will spread. I see that they put the coal into the trench and they cover the coal”.  

5.3.3.1. MCL introductory expedition

20 Buddhist monks and 7 villagers from Kyaikmayaw Township were invited by SCG/MCL to observe SCG’s cement factory and the Mae Moh coal-fired power plant in Lamphang, northern Thailand on 2 February 2016. This was part of the company’s efforts to comfort local concerns about the proposed coal-fired plant. MCL specified that the cement factory in Lamphun uses the same technology and environmental protection in Kyaikmayaw Township’s factory. The cement factory in Thailand is located 25km outside of Lamphun Town and uses coal-fired power to produce 30% of their electricity and an electricity generator to produce the remaining 70% or 2,400 MW of electricity. The Mae Moh coal fired plant produces 2,400 MW of electricity and is located 30km away from Lamphun Town.

Nai Mit from Kyaikmayaw Township, expressed concerns about the company’s transparency:

50 HURFOM, Interview No.22, Min Soe (not real name), Works at MCL, Ka Don Sit, Kyaikmayaw Township, March 2016
“After they [monks] came back from the trip, they did not officially explain anything to local villagers. We do not know how they [MCL] were granted permission to build this industry. We do not know how many years they will operate or how many acres of land they will use. We found an announcement letter posed on a board in Kwan Ngan’s office, village administrator, saying that we can oppose the company from April 4 to April 15 2016 to Daw Su Su Khin [who bought the land on behalf of the company]. We found this letter on April 19 2016”.  

According to Mon News, the monks discovered that the environment of the construction site in Thailand remained in very good condition. Local people in Thailand have claimed that there are no negative effects from the coal-fired power plant. The factory has been supplying 10% of Thailand’s electricity for more than 30 years already. However, experts and environmentalists have never alleged that using a coal-fired plant would be right for the environment, including the use of ‘clean coal’ technology. It is best to use gas to run any factory. It is also understood that if anything goes wrong with the factory or there is environmental destruction from the factory, the local people would be the ones who suffer, not the company. Therefore, in an ideal world, it would be up to the local people whether MCL proceeds with its coal-fired plant or not.

The trip to Thailand was not the first, in May 2014, SCG/MCL invited Politicians from Mon State, representatives from All Mon Regions Democracy Party and the Union Solidarity and Development Party, as well as some administrators from Kyaikmayaw Township, to Thailand.

Consistent with the local people, MCL did not inform them of its plans to use coal-fired power before construction started in 2014. The company remained

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Figure 29: Press conference with monks that attended the expedition to Thailand, in a Monastery in Pyar Taung Region

51 HURFOM, Interview No. 40, Nai Mit, Farmer from Ka Don Sit village, Kyaikmayaw Township, March 2016

silent on the use of coal for some time, and only once the factory was nearly finished, they revealed that it would run on coal-fired power. They are planning to produce over 5,000 tons of cement per day.\(^5^3\)

5.3.3.2. Promises from MCL and opinions

MCL was granted permission from the government when they started the project. While they were given permission, MCL also spoke to the local community about 5 points they were going to delivery by the end of the project:

1. No noise from mining
2. Pave the road
3. Provide electricity
4. Build clinics
5. Build a school

Despite promises of regional development, residents commented that no real signs of progress have been observed since MCL arrived. In contrast, concerns about the degradation of Kyaikmayaw’s natural environment resulting from the project have proved legitimate. Nai Shwe, village administrator detailed:

“\(\text{They said they will give us electricity. When we asked them when they will give it to us, they replied that they cannot provide it because their generator is too small. They cannot provide the villagers with what they promised and they told us they will arrange it at a later time.}\)” \(^5^4\)

For regional development, the company has built a primary national school in Pauk Taw Village. Interestingly, Pauk Taw Village only has 20 households. They have also built a


\(^{54}\) HURFOM Interview No. 3, Nai Shwe, A Ngan Village Chairman from Kwan Ngan Village, Kyakmaya Township, May 2016
road from the village to their industry zone. Villagers have overheard that when the industry is ready to run, they will connect electricity to the village. However, some villagers have claimed that MCL have started to build a hospital and there is a clinic at the worksite, according to a former SCG staff member in Kaw Pa Naw Village. It is clear that local villagers have no knowledge or very limited knowledge about the development processes of the company.

Nai Shwe from A Ngan Village commented on the construction of the power plant:

“There are always negatives and positives in whatever we do. If we look at the region, we are poor. There is always flooding. We cannot produce enough rice. The soil is not good. We don’t live in good houses. Those few good houses are owned by the people who have been working abroad. Now they [MCL] came to build the industry here, our villagers will be destroyed because of the money. Our culture will also be destroyed. Our belief is that we can survive if we are physically strong, not if we are educated. We don’t need to be educated. That is why there is almost no one educated in our village. There are only a few people we can count on who are educated. For the industry, they don’t hire you if you are not educated. Now many people in our village want to study and become interested in education. That is one good thing about the industry”.

It has been reported that MCL is becoming increasingly scared of the public opinions opposing coal-fired power as many local people are opposing this and protesting. MCL is afraid that they will have to terminate their plans.

5.3.3.3. Quality of cement

One interviewee commented that he will not trust that the quality of cement which will become available after the factory is complete as he believes that the cement is not up to standard due to the company [MCL] using ash from the coal. Ko Hla Myint from Me Ka Ro Village stated:

“The suspicion is they said they reuse the ash of coal in the cement production process. I am not metallurgist; I don’t know if we can use ash as a Gypsum. I don’t want to criticize it but the quality of cement with the ash of the coal is not good. If I

55 HURFOM Interview No. 1, A Former SCG Staff member from Kaw Pa Naw Village, Kyaikmayaw Township, May 2016
56 HURFOM Interview No. 3, Nai Shwe, A Ngan Village Chairman from Kwan Ngan Village, Kyaikmayaw Township, May 2016
build a house, I will not use the cement from MCL which is made from the ash of the coal. I think the cement is not of good quality.  

5.3.4. June Cement Industry violations

It is known that June Cement started buying land in 2010 and threatened land owners in order to gain more land. At the time, the company promised that it would construct the factory within 3 years and if they did not finish on time, they would return the land to its original owners, consistent with the farmland law.

It has been claimed that June Company started building a cement factory in the Pyar Taung area without informing the Mon State Government as reported by their Natural Resources and Environmental Conservation Minister. According to the Minister, Dr. Min Kyi Win, was not informed about June Company’s plans. June Company’s director, U Soe Myint, specified that rules were followed, notified authorities when importing materials and resolved land issues with the appropriate authorities. He further detailed that the cement factory will be built in a deep-water area and that the company has started filling up 200 acres of land, even though they have not finished working on the EIA SIA which, he indicated, will be released to the public at a later date. Today this has still not been released.

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57 HURFOM, Interview No. 23, Ko Hla Myint, Farmer and Trader from Mae Garo, Kyaikmayaw Township, 2 May 2016
To contradict the previous paragraph, another report discloses that June Company required 1,000 acres to build the cement factory and has already bought over 700 acres of land. An official from the company claimed that the factory will operate using either power from the national grid or natural gas, but has yet to decide which power source it will use. Once fully operational the factory will produce 5,000 tons of cement a day.\(^{58}\)

From these two paragraphs it is clear that the company has not been transparent with local people and has been misinforming them about how much land they will be using.

On average the land was sold at 50,000 kyat per acre.\(^{59}\) Allegedly, June Cement has now bought around 1,000 acres of land, where previously it was stated to be 700 acres, again there is uncertainty about how much land the company owns. Land owners have repeatedly sent letters to government departments about their land disputes but have never received a response. The main concern from the local people is about the mandatory land registry form. Local people have heard that President Thein Sein and U Shwe Man’s son are shareholders on the June Cement project and therefore are using their power and status to gain land and power.

In Kaw Don, Kwan Ngan and Kaw Pa Naw villages, June and Pacific Link explained to land owners that their cement industrial projects are fulfilling the needs of State’s cement demands and villagers must sell their lands to the companies because of state profits. On a positive note, June Company have supported the local population, however, villagers have expressed their concerns about the reasons behind their actions:

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\text{“They supported student’s tuition fees and financial payments. They supported the school fund, just 100,000 or 200,000 kyat. Within these two years, they came to participate when there was a celebration or event in the village. They also donated to elderly people, those over 70 years old, about 20,000 kyat per person. They also donated a car for ambulance use. When they came to donate, we told them the whole village feels bad, that farmers have lost a lot as they took their farmland with little compensation. We have demanded more compensation from them but they did not deliver. They just came to donate small things. They are saying that they are the ones who are paying for the development of the village.”} \quad \text{\cite{59}}
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\(^{59}\) 50,000 kyat is 43.4 USD

\(^{60}\) HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, April 2016
Nai Shwe Win from Kyaikmayaw Township, discussed land promised that June Industry made when they arrived in 2010:

“They said they will return the land if they cannot implement their project within three years. Although people submitted opposing letters, the company was still granted [by the government] form-7 with the name of Daw Nu Nu Win. They said to build the cement industry but there is no talk between local residents about the project. They said it is a State project in order to buy the land at a cheap price. They were threatening the local people during the land purchasing phase”.

June Company is another company that is abusing their power to gain more land. They are another example of a company that is not transparent and do not inform local people about their plans and actions.

5.3.5. Aurum Company Limited Violations

Aurum Company has not yet started operating in Ye Township, however, allegedly, they have been developing plans and will start buying land and constructing within the next year. Local people have started to express their concerns about the project; on the other hand, various local people are also content with the plans because it could develop the area in a positive manner, if conducted correctly.

Managing Director of Aurum Company Limited, U Htay Thwin, revealed that the company will upgrade existing infrastructure as part of the project by building roads, a healthcare centre, a public library and a community market. However, there are fears that the project will not deliver on the promises. Local people are also raising concerns about the idea of “ecotourism” and

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61 HURFOM Presentation No. 6, Nai Shwe Win, Retired Teacher and Farmer from Me Ka Ro, Kyaikmayaw Township, April 2016
“community-based tourism”, as companies are using these terms as marketing catchphrases, rather than committing to protecting Ye Township from tourism’s negative influences. Consequently, many are worried that “ecotourism” projects will end up exploiting local populations. 62

Aurum Company has promised to renovate the central market before the rainy season starts. Claiming to destroy the old market and substitute it with a new one. This has not yet been implemented and the rainy season has started. The hospital is underway, and they will also build a public clinic and a tar-road from Kapyarwa to Ta Yoke Htaught Village. It has been reported that the road will reach up to Pauk Pin Road.

Local people from this area have said they believe it is a State project and will occupy an 8 mile radius from Dein Wa and Khwya Kyune to Mi Htaw Hlar Lay Chaung. Aurum Company has not yet bought the land; however, it has been proposed that they will only buy vacant land that is owned by the State. Local people trust that the company will pay a fair compensation when the project starts.

U Aung San Oo, from Kabyarwa Village, has expressed that the beach has become very popular thanks to the new project. The company has been advertising the area on the news and in the local newspapers. Recently, Skynet, a TV channel in Burma, visited the beach in order to capture the region’s beautiful sunrise and sunset. 63 Other investors are also interested in this area. According to U Aung San Oo, several companies have come to visit informally to explore the area and talk to local people.

“U Khin Shwe, a former member of parliament, Mi Myint Than and Daw Htay Htay Win of Win Yaung Chi Company came here in 2016. They said the company who is currently interested will not benefit the local people too much and advises us that we need a company owned by an ethnic group to do investment. They said they would help us if we want to invest in shares. Their idea is a good one. The local people have a chance to do an investment. If the local people invest in shares, the company will also be owned by the Mon people. If private companies do the project, the local people will not benefit. Aurum Company is the first one who started the project so they have the right to do the project, I think. Other companies will have a chance if the Aurum Company fails”. 64

Aurum Company has detailed that they will cooperate with the Mon State government in order to acquire land. Nonetheless, land in this area is mostly owned by local people,
who use the land to grow betel nut and other regional crops. There are also raising concerns about future land acquisition, with land passed from generation to generation, many landowners in this area do not have owners’ documents or land titles:

“ Aurum investigated if any individuals own land. But most of the land is owned by the village (community). As the land is owned by the community, Aurum must carefully negotiate with the Land Record Department and survey the land. The company wants to use the community land under the State authority so the company promised that they will build the central market, the public clinic and will develop the village. The village cemetery is also included in the project area and the company promises they will create a better place for the new cemetery. They verbally promised what buildings will be finished when and the villagers are expecting the best. The property rights have been in accordance with the community laws”. 65

Ko Soe Thein, from Kabyarwa, along with other local people, are worried about fishing and raising animals as this is their livelihood. They claim that if the ecotourism project is implemented, the fishing village will have to be relocated. It will also threaten the local tradition, culture, and language due to massive migration. 66

Villagers have expressed that if the company runs smoothly and cooperates with the local people there should be no disputes or problems. Complications will only arise when the Company begins to lack in transparency and does not keep their promises.

5.4. Misinformation, lack of transparency

As the stream of FDI flow into Burma, the government deals solely with foreign companies, paying little regard to local people. A large issue and concern is the lack of trust between local people, the government and these companies.

Generally, there is no communication with local people when contracts are signed with foreign investment companies. Villagers find themselves out of the loop, and do not know the policies. While engaging in FDI, the government does not respect the opinions of local villagers in their decision making process, which is increasingly eroding the trust.

65 HURFOM, Interview No. 18, U Kyaw, rubber plantation owner, Kabyarwa Village, Ye Township, May 2016
66 HURFOM, Presentation No.4, Ko Soe Thein, Activist from Kabyarwa village, Ye Township, May 2016
Residents feel that the government does not care about its citizens but only about the investment.

Along with any type of development, comes the opportunity for extortion and corruption. With large numbers of new investments in Burma’s natural resources flowing into ethnic areas, coupled with little regulation and authority, the environment is ready for extortion. Such crimes are the reason for increased poverty when villagers lose their land and sole source of income.

Burma earns billions of dollars a year from large-scale extraction projects in its natural resources. However, local communities do not enjoy the benefits. There is a clear lack of transparency in development projects, which allows for mismanagement and corruption. The responsibility falls on investment companies and the Burmese authorities to provide complete transparency of all incomes gained from these projects. Many victims would like their land returned to them either fully, or partially, or to receive compensation at market price for land and crops seized by the military, the companies or the government. 67

One of the main issues that occurs and was repeatedly mentioned during interviews was the lack of transparency and misinformation. Countless villagers are maintaining that their village has not been kept up-to-date or informed about plans. For instance, as stated above, many local people were unaware that MCL would run their factory on coal-fired power. Nai Shwe Win, from Me Ka Ro Village, commented:

“We only knew that they were going to build an industry, but we did not know about their coal-fired power plant. They did not tell us about that plan. We only

knew about it at the end of 2015. The small ships that were on the river, we thought those ships were carrying the usual materials, but we did not assume that the ships were carrying coal. Ships that carry coal run only at night. If their industry does not run with coal-fired power, we will accept it. We are not opposing their cement industry. Our main concern is coal-fired power plant. We cannot accept it.”  

Numerous residents have continually complained that MCL hid the fact that the companies will be using coal-fired power. It was revealed that local people were not informed by the company but from external employees.

“When they purchased the land, they only said that they were going to build a cement industry. They only explained the good side of the industry. They hid the negative impacts. And completely hid the fact that they would be using coal to fire the power plant. There was no discussion, information or explanation about the environmental impact, or impact on the people”.

In Me Ka Ro Village, June Company allegedly donated a car to be used as an ambulance in the village. Local people were not informed of this new development and were still travelling long distances on their own means while being ill. Residents are unaware about who has the keys to the ambulance; they now understand that the ambulance is for public use but are unsure if they will be allowed to use it in an emergency situation and it is still unclear who has the keys to the vehicle.

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68 HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, May 2016
69 HURFOM, Interview No. 40, Nai Mit, A Farmer, Ka Don Sit village, Kyaikmayaw Township, March 2016
70 HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, May 2016
For Aurum Company, villagers are claiming that they still do not have the exact details of the project and are unsure when they will finish or start building what they promised.

Pyar Taung Region Development Association was formed to support local people, to represent villagers and not formed to oppose the coal-fired power plant project. The organisation gives support to villagers that are affected by investment companies; it helps residents in Pyar Taung region and is comprised of local monks, local villagers and five leaders. They also aim to protect cultural artefacts such as caves, pagodas and the environment.

It is clear that many of the FDI companies have not been transparent and leave the local population confused and irritated. It is important for companies to disclose information in order to gain public acceptance. In order to gain public consent, these companies need to become more transparent and open about their plans. HURFOM recommends that companies provide a fair compensation to local people who have lost their land, and projects needs to be transparent in order for local people to understand what is happening in their own village. Local people should have the right to information, these projects should follow international guidelines on environmental conservation, and guarantee that the project will bring long-term benefits.

5.5. Call to Action

Interviewees have expressed concerns over the lack of responses from the government regarding letters of complaint. Many villagers have sent multiple letters complaining about their land or the use of coal, but received no answer.

Sadly, land owners consistently lose the case against large companies. One of the main issues is the lack of knowledge regarding their rights. It would be beneficial for the government to send lawyers to villages in order to guide and inform them on their rights. More recently residents have become increasingly assertive in their demands, joining the rising tide of civil society action.

Figure 35: Local people from 6 Villages from the MCL area asked the government to stop the coal-fired power plant to the Ministry of Energy and Electricity
More than 3,700 local residents signed their names to a petition opposing the coal-fired power plant project led by MCL. Local people living near the MCL cement factory penned their signatures at an awareness-raising conference organized at Nidon Village on February 29 and near Kaw Dun and Kaw Pa Naw Villages on March 1. The initial list of signatures was sent to respective government officials. The talks and signatures campaign was led by local Mon monks who advocated for residents around Pyar Taung to sign in opposition to the coal-fired plant. The monks do not accept this project which is a major occurrence as monks are very influential in many villages. The monks themselves invited experts and organised discussions for local people to understand the potential negative impacts of using coal to fire their factory. Local people will oppose the project until it is cancelled.  

As outlined in the previous section, the law fails to provide concrete guidance on compensation to victims of State-sanctioned land purchase. In this way, too much permitted flexibility is allowed for companies to make their own judgments on fair land values. However, the lack of transparency surrounding company activities makes it difficult to know where a project stands, whether it is sanctioned by State, or what timeframe is assigned to it. Therefore, HURFOM calls for a full investigation of these conditions and, if warranted, the return of residents’ land.

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6. SOCIAL ENVIRONMENTAL IMPACT

This section will specifically look at the social and physical changes to the regions due to FDI. For the benefit of the companies, they tend to hide the effects from construction. Stone mining and gold mining do not only cause noise pollution but also environmental destruction. This chapter will also look at how society, the mountain ranges, caves and rivers are affected along with the social impact on local people.

6.1. Lack of local workers

A common misconception is that foreign companies will hire local staff to participate in the construction of a factory or industry. It would be beneficial for companies to hire local staff in order to keep their costs to a minimum. However, many companies worry about the education and knowledge of local people and therefore bringing in workers from outside of Burma. A significant number of local people are missing out on employment opportunities because these companies are not hiring them. Instead, they bring in people from Thailand, China and Laos. When local people do get employed, they tend to be hired for building roads and construction. As an example, MCL has around 1,000 employees but only about 200 of them are from the region.

Nai Mit Win, from Ka Don Sit Village, along with several other villagers across Mon State have expressed their dissatisfaction about companies not hiring local staff when they promised they would

“When they [MCL] bought the land, people were not willing to sell. The company said that if they sold their land, the company persuaded that they will arrange a place for the family, and will help with the future of the kids. They also promised to give priority to local people for job opportunities but in reality, the percentage of local employment is very low”.

U Aw Bar Tha who is a monk from Kaw Dun Village articulates that

“When people who came here to work are mostly from other places. There is a very low number of people from this village who work in the industry. They [MCL] are just saying they will call to employ the local villagers. People from this village

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72 HURFOM, Interview No. 40, Nai Mit, A Farmer, Ka Don Sit village, Kyaikmayaw Township, March 2016
have applied for jobs with them but did not get accepted. We don’t know where employees have come from. 73

U Soe Myint, from Ta Ra Nar Village, worked at MCL’s construction site for 4 months in 2015 claims that MCL does not actually support local welfare and do not want local people to understand and recognise what the company is undertaking.

“I think they don’t use the local people because they don’t want them to receive any information about their project. Local people will be at a disadvantage due to the project anyway. Therefore, when they really hire people, they mostly pick people from other Townships. They are worried that their staff will not accept the company and that they will share work plans with others. For example, they will try to solve workplace accidents secretly, and do not inform us about coal burning tests, they try to control information about the factory. If you interview the officer in charge from the factory, they will never tell you the truth”. 74

Companies should employ local villagers for their own benefits and to keep costs to a minimum.

73 HURFOM, Interview No. 7, U Aw Bar Tha, Monk, Kaw Dun village, Kyakmayaw Township, January 2016

74 HURFOM, Interview No. 25, U Soe Myint, Worked at MCL in 2015, Ta Ra Nar village, Kyakmayaw Township, March 2016
6.2. Gold Mining Industry

Nan Aye Mi Mi Tun, from Tayat Kone Village, believes that there are no visible signs of change to the environment from Gold mining yet, claiming that the whole country has been experiencing a water shortage problem and therefore the villagers cannot blame the company. However,

“We have never had a water shortage problem in our village in the summer before. After they operated in 2010, the problem was not visible yet. In 2011, the problem began to become visible. Water began to become scarce a little. We could not use enough water. There is no water in the place that is close to the mining site. So we have to take water from other places. Later, even places that are far from the mining site [1 mile away] have had a water shortage. People here use water from the well”.  

Villagers are also complaining about the visible holes that have been left by the company. Nan Aye Mi Mi Tun continued:

“When they started buying the land in the village, villagers and administrators signed a contract that the company will have to refill the soil. But in reality, it is rare to refill the soil. They finished their work and just disappeared”.

It appears the issues local people have with the Gold Mining Company is that they built on local land and then leave, therefore leaving behind unusable land for farmers. It appears that the company, Chit Lin Myaing Gold Mining Company, also affected the water flow and physical environment because a significant amount of trees are absent too.  

6.3. Stone Mining and Noise Pollution

According to interviewees, all companies in this research claimed that there would be no noise pollution. However, several villagers from across the regions have reported noise from mining.

As an example, Nai Shwe from Kwan Ngan Village, specified that:

75 HURFOM, Interview No. 14, Nan Aye Mi Mi Tun, Member of MATA, Tayat Kone Village, Kyaikhto Township, 15 May 2016
76 HURFOM, Interview No. 13, U..., A rubber plantation owner from Kyaikto Township, 14 May 2015
“When MCL came to explain, they said that there will be no harm to the environment, no noise from mining when they crack the rock. Now, people in Kaw Dun can hear it. They said they will keep the environment as it is but it’s not now. We lost trees and the environment is being destroyed. We are also hearing a lot of mining noise”. 77

A monk, from Kaw Dun Village, continued remarking on the noise and the pollution from stone mining:

“When they operate stone mining, it is dangerous and produces massive noise pollution. It is not good for our health”. 78

Villagers are also becoming worried that the waste produced from the factories and the waste from burning coal will end up in the river.

Ko Zaw Htwe, who is the Stone Mining Opposition Group Leader, suggested that villagers have lost a lot of farmland which is vital in the summer months when they need to grow vegetables. Local people worry that if the rivers are destroyed, it will affect farmers who rely on these rivers for their crops. Currently, 200 acres of farmland is affected and rivers are also starting to change. During the rainy reason, flooding occurs which moves sand around and ends up covering roots of trees and plants, slowly killing them. Other villagers are also claiming that due to stone mining, the water in the river has dried up.

U Aw Bar Tha, who is a monk from Kaw Dun Village also claimed that the problem in many villages is that they use the water in the river for drinking. Some companies have claimed that they will deliver clean water by car when there is a water shortage problem; however, they have not followed through. Local

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77 HURFOM, Interview No. 7, U Aw Bar Tha, Monk, Kaw Don Village, Kyaikmayaw Township, January 2016
78 HURFOM, Interview No. 7, U Aw Bar Tha, Monk, Kaw Dun village, Kyaikmayaw Township, January 2016
people have had to find other means of getting water for example by digging wells near streams.

Ma Thida, Paung Township, discussed the issues that the Stone mining produces:

“Long Life Aggregate Mining Co. Ltd is a stone mining company in Ouktada, started their project in 2014. In Ouktada, there are three rivers but two of them are close to the mining project. The rivers are clean but now they are dried up. People are facing water shortages. It affects farmland and plantation gardens. People are disturbed by the noise and dust from the mining activities alone. It affects public health. There is also danger of car and truck accidents.”

Interviewees have repeatedly voiced their opinions about Stone Mining and the negative impacts. It is not only physical changes but also causing more car accidents and road traffic. Companies are transporting their goods on large trucks and boats. The roads are usually not very stable and especially during rainy season become slippery. Trucks are also causing more dust in the air because of the type of road in the region, it is not concrete. Some interviewees suggested that there were flowers in the gardens along the road but it is now covered in dust.

6.4. Artefact Destruction

With any new construction and destruction of resources, society worries about the local environment in relation to historical figures, artefacts and culturally meaningful items. When companies came to these villages, they claimed that no harm would be caused to the local environment, especially when using resources and materials available from mountains, caves or on land.

Figure 39: Historical artefact has visible cracks which is believed to be caused by stone mining

79 HURFOM, Presentation No. 8, Ma Thida, A part-time shopkeeper and a housewife, Paung Township, May 2016
80 HURFOM, Interview No. 12, Ko Zaw Htwe, Stone Mining Opposition Group Leader, Ouktada Village, Paung Township, May 2016
81 HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, May 2016
As reported by Nai Shwe, in the past June Company repaired the ceiling of Kyaik Paing Htong Pagoda. Today, the history of Kyaik Paing Htong has slowly been vanishing because workers are, allegedly, inexperienced. This is one way the local heritage is being affected and altered. Villagers have complained directly to June Company. June Company has responded that they did not ruin these but preserved them. Villagers have pictures taken before and after dynamite explosions, and were able to see visible damages to the artefacts. Kaw Dun Villagers have expressed their concerns about the Buddha images that were founded by Queen Shin Saw Pu, which have now started cracking, apparently due to the impact from dynamite.  

Kwan Ngan Village has 6 natural caves near Pyar Taung where MCL and June Company have started to explode dynamite. The caves hold several Buddha images, the images have present there since the century of Queen Shin Saw Puu and local villagers do not want their legacy to be taken away because of the MCL project.

“As some caves are not strong enough due to heavy vibration from the impact of project. We can say that there is direct impact from MCL. We would like everyone to all know that our villagers do not agree with the project. We can’t

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82 HURFOM, Interview No. 32, A Farmer from Kaw Dun Village, Kyaikmayaw Township, May 2016
According to a villager from Kaw Dun, when MCL started functioning, local people immediately experienced environmental changes. The area consists of natural limestone caves such as Me Ka Ro cave, Kwan Ngan cave, Htoom Janout cave, Htoom Palouh cave and Htoom Ka cave. After the company exploded dynamite in Pyar Taung Mountain, the fish that were hiding in the cave were slowly disappearing.  

Kaw Pa Naw and Kwan Ngan villagers search for fish, shrimp, bats, turtles, snails in the caves. With the fish, they make fish paste. In the past they were able to fill 5 or 6 bags with fish, however, today, it is much harder to get that amount.

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83 HURFOM, Interview No. 36, A local farmer, Kwan Ngan Village, Kyaikmayaw Township, May 2016
84 HURFOM, Interview No. 32, A local farmer, Kaw Dun Village, Kyaikmayaw Township, May 2016
6.5. Damages on Mountain Ranges

The mountains consist of several monumental figures and pagodas which are a traditional and cultural symbol for the Mon religion and belief. As said in the previous section, stone mining has been destroying mountains in different regions where investors are building.

According to U Thant Zaw, behind any FDI, there will be environmental destruction and resource destruction. For the cement industry, the local population will automatically lose rock and stone. For example, life threatening impacts from coal-fired power, chemical related industries and gold mining, therefore local people have been taking a stance against it. Repeatedly it has been said that local people will welcome investments which focus on regional development and which could transform raw material to goods as a kind of business that does not harm the environment.\(^8^5\) The mountain ranges in Burma are very rich in resources. Once soils are disintegrated by surface mining, flash floods will cause concentrated erosion.

Villagers rely on Kwan Ngan Mountain to get access to vegetables, herbs, medicines and bamboo, however, today this is become scarcer and more difficult to find. Ka Don Sit villagers are unable to acquire Sagawar flowers, which is used to pray to the Buddha or

\(^{85}\) HURFOM Interview No. 15, U Thant Zaw, Coordinator of Environment and Resources Lovers Association, Moulmein Township, May 15, 2016
to use at the ceremony. People from Ka Don Sit Village also rely on the mountain for firewood, bamboo, wood, herbs and shrub for traditional shampoo.  

Due to the destruction of the mountain range, villagers are also frightened if a heavy storm approaches, their village will no longer be protected. The mountain was acting as a barrier and did not allow for strong wind to pass.

The mountains also consist of small rivers where villagers can catch fish. A lot of the fish are rare and only available in the caves. However, they are also disappearing. Nai Shine, from Kaw Dun Village explained:

|“Even in summer season we can get the fish in the Ton Pa lout’s cave but nowadays we can’t. Currently, there is no fish in the cave anymore, we are not sure if it’s because of the mining, vibrations or dirty water. This is a visible change that has occurred since MCL arrived.”|

Kwan Ngan, Kaw Pa Naw and Kaw Dun Villagers mentioned that companies are also controlling the distribution of rock. In the past, villagers would have access to rock for free, but now local people must ask for permission to get it. The same has been said about bamboo for building frames and fences. The resources are on public land but local people are unable to reach it because the company has been using the land.  

Due to the destruction of the mountain range, villagers are also frightened if a heavy storm approaches, their village will no longer be protected. The mountain was acting as a barrier and did not allow for strong wind to pass.

6.6. Lack of Electricity

These foreign companies are also investing in the Electricity sector. There is a lack of distribution of electricity and therefore companies are relying on coal-fired power plants to provide to the higher demand as using coal is inexpensive and delivers energy rapidly.

Villagers are becoming increasingly worried about the new plans because many villages do not have access to electricity, and if a company is producing electricity in their village, they should have a right to it. Nai Sein Wan from the Myanmar Lighting Company

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86 HURFOM, Workshop No. 4, comments from villagers
87 HURFOM, Interview No. 27, Nai Shine, Farmer, Kaw Dun Village, Kyaikmayaw Township, 23 May 2016
88 HURFOM, Workshop No. 4, comments from villagers
explained the electricity situation in Mon State a little more clearly and why MCL is planning to produce more:

“It is not that the government could not provide the electricity. We operate here just to deliver electricity to Karen State and Mon State only. In Moulmein alone, they use 70 MW. We can only produce 200 MW. If we extended to Ye Township, it will already be 120 MW. 80 MW is for Karen State. The power grid is not good to Ye. Thus, we are giving electricity to Yangon for now. If MCL really need it, we have to talk with the government. MCL will use 40 MW of electricity for their industry. If we decide to give electricity to them, we won’t be able to deliver enough electricity to households in Mon state”. 89

Kwan Ngan villagers expressed that they buy electricity from a private business man who makes it more expensive. However, local villagers do not want to support electricity that is made from coal-fired stations. Some villagers have even expressed they would rather not have electricity than use electricity that is generated by coal as it will affect future generations.

6.7. Social impact

It is important to look at the social impacts from FDI as investment does not only harm the environment but also the local culture. Due to the flow of FDI into Burma, local people have become increasingly worried about the growth of drug use and drugs available.

According to Mehm K.. K.. from Ka Don Sit, there is more drug use because of foreigners coming to work in Ka Don Sit Village. There are no regulations for foreigners, no rule of law and employees from MCL are smoking Marijuana in public locations. Mehm K.. K.. drug further stated that this was not such a large issue before FDI.

“I can say that, due to the increase in foreign workers and worker from the other areas at MCL, youth from our village are using more drugs. That is because of we can get the drug more easily. The drug distributors target the people from

89 HURFOM, Interview No. 11, Nai Sein Wan, Works at the Myanmar Lighting Company, Moulmein, May 2016
Mehm K.. K.. expressed his concerns over the influences of drugs and how this can harm families and drug user.

The immigration bureau has stated that they are unaware about the number of foreign workers at MCL. It has been reported by the Immigration bureau that there are 80 male and 4 female registered workers; however, local people have revealed that they believe this number is much higher.

Interestingly, villagers have conveyed their anxieties about mixed marriages and mixed cultural relationships too. In Kwan Ngan Village, more and more mixed marriages are occurring:

“After two years of my survey, I have found that there are 8 couples who got married with the other ethnicities and 2 are getting married with Thai people. I accept that everyone has right to choose the person that they like. However, the girls do not exactly know the man’s history. He gets married with the girl but we can’t say that he doesn’t have a marital scandal problem back home. We also face that some couples have a big age gap and it looks like father and daughter”.

The opportunities for mixed ethnicities are increasing and villagers are also becoming worried that their history and traditions will disappear. They do not oppose it but there should be a balance. Not only are mixed ethnicities increasing but also western influences and western mannerisms.

“When this company came to this area, we started seeing clothing that is against our culture and lifestyle. We are worried that in Mon region, our culture will be influenced by western culture”.

It is obvious that FDI will influence the culture of a region; however, in today’s society it is difficult to keep western influences to a minimum due to the media and the internet. It is easy to blame FDI for cultural changes, however, with time, local villages will also need to adapt to the new developments.

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90 HURFOM, Interview No. 35, Mehm K...K..., a young man from Ka Don Sit Village, Kyaikmayaw Township, 23 May 2016
91 HURFOM, Interview No. 34, A Farmer from Kwan Ngan Village, Kyaikmayaw Township, April 23, 2016
92 HURFOM, Interview No. 42, Nai Mit, farmer, Ka Don Sit village, Kyaikmayaw Township, April 26, 2016
6.8. Coal-Fired Power Plants

Coal-fired power plants produce CO₂ emissions, which causes climate change and can lead to smog and acid rain. MCL has taken no steps to inform local people about its chosen source of power generation.

In 2013, Resource and Environment Myanmar completed an EIA for MCL which was submitted to the MIC. MCL has held four events for local people to visit the plant in Thailand and learn about the facility, including its energy sources. Residents have also raised concerns that the coal-fired power plant is being built without approval. When officials from MCL were asked how they would power the cement plant, they said they would generate power on their own, because electricity shortages could cost them a lot. An official in the Kyaikmaraw Township Administration Office said his office also only knew about the cement factory, not the coal-fired power plant. MCL has claimed that in all of their facilities across the region, protecting the environment is a priority and will actively take steps to reduce our impact. The company continues to claim that they use premium quality coal with low sulphur and strictly abides by the law.  

Nai Shwe, Kwan Ngan Village administrator, further claims the company did not inform local people about using coal to fire the station.

“They did not tell us about the impact of using coal fired power. They just said they have to use coal fired power to run the industry because they have to use coal to get strong energy. They explained how many tones they produce per day but I could not remember all details”.

6.8.1. Concerns about Coal fired power

Another big problem with FDI coming to Mon State is that local people are concerned about the factories being run on coal-fired power. According to the Union of Concerned Scientists, coal-fired power is the top cause of CO₂ emissions, which is the primary cause

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94 HURFOM Interview No. 3, Nai Shwe, A Ngan Village Chairman, Kwan Ngan Village, Kyaikmayaw Township, May 2016
of climate change. A typical coal plant generates 3.5 million tons of CO₂ per year. Burning coal is also a leading cause of smog, acid rain and toxic air pollution. ⁹⁵

With Myanmar planning to build 41 new power plants in the next 15 years, it is important for the local population to stand up and oppose these plans. According to an article published by the ASEAN Economic Community, Myanmar has mapped a 15-year power development plan in order to meet the increasing electricity demand, from 4,581 MW to over 29,000 MW in 2031. As of September 2014, from 814 power plants across the country, the total generation capacity was 4,581 MW, of which 3,044 MW (66.46%) was from hydropower, which causes an unstable supply during hot season when the reservoirs lack water. ⁹⁶

Nai Blai from Kaw Dun Village expressed his opinion:

"We do not want the industry to be built at all. It is dangerous. The water near and around the industry will become scarce. We oppose them, not their industry. They can build the industry without using a dangerous approach. If it is coal-fired power, we will oppose it. If they want to continue, they can use electricity or gas to operate the industry. We accept it but not coal-fired power. We oppose this not for ourselves but for our future generation. If we do not do it now our future generation will suffer the negative impacts later. People don’t actually understand how dangerous the coal-fired power plant is". ⁹⁷

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⁹⁷ HURFOM, Interview No. 8, Nai Blai, A local farmer, Kaw Dun Village, Kyaikmayaw Township, April 2016
Many villagers are afraid of the consequences of going against a large industry. It is important for villagers to stand together and unite against these companies, if that is what they agree. Some local people have expressed that they are afraid Burma will turn into China where

“People now have to breathe through and oxygen box”. 98

Companies are using PR teams and information specialists to discuss clean-coal technology to local people. Unfortunately companies are notorious for using complex language and twist words in order for people not to understand. Companies are relying on the lack of local knowledge and the fact that society is afraid to stand up and fight against the government due to the long history of dictatorship. It is important for more specialists to educate local residents on environmental issues and how the public can help fight against and protest against coal-fired power companies. Local people are not against these companies but are against the use of coal.

“If their industry does not run with coal-fired power, we will accept it. We are not opposing their cement industry. Our main concern is coal-fired power plant. We cannot accept it.” 99

Nai Sein Wan from the Myanmar Lighting company claims that:

“There is no negative impact to the river when coal drops into the river from the ships. Clean coal technology from Japan costs $20,000 USD.” 100

However, Kaung Myat Oo from Moulmein District along with several others have discussed that companies will pollute the river and water supply, therefore affecting the health of local people:

“It will affect public health for those who use water from Ataran River such as skin problems. Waste from the industry will pollute the water, air and land and other consequences. There is no public consultation before building the industry [people were not informed]. There is no particular group who opposed the industry, but its led by CSOs by educating the public about the impacts of the industry”. 101

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98 HURFOM, Interview No. 23, Ko Hla Myint, Farmer and Trader, Me Ka Ro village, Kyaikmayaw Township, 2 May 2016
99 HURFOM, Interview No. 39, Nai Shwe Win, Retired Teacher and Farmer, Me Ka Ro Village, Kyaikmayaw Township, May 2016
100 HURFOM, Interview No. 11, Nai Sein Wan, Works at the Myanmar Lighting Company, Moulmein, May 2016
101 HURFOM, Presentation No. 7, Kaung Myat Oo, Moulmein City, late May 2016
MCL is located close to Ka Don Sit and Pauk Taw Villages. Villagers from here have attended trainings about the impact of coal and the environmental issues with the CBOs and environmental groups and are worried about the factory. According to one of the training workshop, air pollution can spread around 5 miles from the factory and is very dangerous for people. Ka Don Sit is the closest village to the factory and many local people have expressed that they are worried for the next generation.

11 villages are in the vicinity of a 5 mile radius:

- MCL to Ka Don Sit – 1.67 miles;
- MCL to Kaw Dun, Kaw Pa Naw – 2.20 miles;
- MCL to Kwan Ngan – 2.39 miles;
- MCL to Nidon – 2.55 miles;
- MCL to Shwe War Chaung – 2.82 miles;
- MCL to Me Ka Roo – 3.71 miles;
- MCL to O Lay – 3.94 miles;
- MLC to Ka Kat Kone – 4.71 miles;
- MCL to Nga Pay Ma – 4.92 miles;
- MCL to Kaw Wan – 4.99 miles.  

Today, other villagers are under the impression that the air has become dustier from the construction on the mountains and the wind picking up the dust and bringing it across the regions. There are also other limestone mountains across Ataran River where other companies are discussing plans to build new factories.

### 6.9. Impact on Fishermen

FDI not only affects local people on land but also those that rely on the river for transportation, fishing and income. Companies are now using Rivers to transport coal and building materials. Local fishermen have pleaded to Mon State Hluttaw to attend to the destruction of the Ataran River and the frequent sinking of fishing boats due to large ships causing waves and damaging fishing boats.

Large ships have been coming and going from MCL’s factory 4 to 5 times a day, creating large waves which small fishing boats cannot withstand. The small boats get damaged, and sink, they also lose fishing nets or, in some cases, the engine. This is an unaffordable cost for many local fishermen and therefore these fishermen have to rely on loans with high interest rates to solve their problems.

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102 HURFOM’s GPS code points data, 22 May 2016
According to reports, MCL ships are extremely large; they are between 200 and 250 feet, making it very difficult for fishing boats to avoid them. The river itself is very narrow and therefore when these ships pass, they create huge waves and damage brittle items in the water such as little fishing boats. The waves are also causing trees and plants on both sides of the shore to become affected. Some villagers are expressing that they are afraid that a landslide will occur if water continues to fall on land.  

Fishing boats and fishing equipment of roughly 12 fishermen have been sunk or destroyed by large vessels due to their waves, with total damages incurred worth approximately 5 million kyat. For an individual fisherman, each loses 1,000,000 kyat per year. The cost of a fishing net is between 1,500,000 and 3,000,000 kyat depending on the type of net. The engine costs around 180,000 kyat.  

Fishermen have voiced their desire for negotiations with MCL in order to discuss the reduction in speed of shipping vessels when entering and leaving the factory waters and for financial reimbursement to those which have suffered financial losses because of the ships in question.

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103 HURFOM, Interview No. 9, U Aung Tin Oo, Chairperson of Kyaikmayaw Fishermen Association, Kyaikmayaw, 10 March 2016
104 HURFOM, Interview No. 10, U Khin Kyaw Aung, Vice-chairperson of Kyaikmayaw Fishermen Association, Kyaikmayaw Township, 10 May 2016
Fishermen are also complaining about the types of fish available and are afraid that they will disappear once the coal-fired industry starts running:

“For now, the situation is not very different. We still get fish and prawns like before. But we don’t know what the situation will be like after they finish building the coal-fire powered industry”. 106

Fishermen are required to have official licensing; however, there are a significant amount of fishermen that are working without a license due to the cost. 60 fishermen have the official license, however, 24 do not. It is obvious that these without a license will be more liable for any damaged occurring to their boat.

“If their [MCL] ship hit our boat, it is their [without license] fault, the department of fisheries gives recommendations to those who have a license. Then they provide help”. 107

Between 2014 and 2015 4 letters of request was sent to MCL, the Department of Fisheries for Moulmein, the Kyaikmaraw general administrator’s office and Mon State government, to inform them about fishing disputes. None of these letters were regarded to.

Fishermen have come together and agreed that they would like the conflict to be resolved. They would like to company to take responsibility for the damages but also come to an agreement. For instance, fishermen would like the company to use a schedule and stick to it. In this way fishermen will know when the ships are active and can move their boats to safety. Another solution would be for the fishermen to receive the correct phone number from the company in terms of who to contact when there is a problem or

Figure 47: Letter of complaint from a group of fishermen to the general administration department of Kyaikmayaw Township

106 HURFOM, Interview No. 6, U Aung Tin Oo, Leader of the Fishermen Association, Kyaikmayaw Township, mid-May 2016
107 HURFOM, Interview No. 6, U Aung Tin Oo, Leader of the Fishermen Association, Kyaikmayaw Township, mid-May 2016
accident. Fishermen also advise MCL to use an alert system in order to warn others when the large vessels are active. These simple solutions will protect and help fishermen from life threatening injuries and secure their livelihoods.

According to U Aung Tin Oo, chairperson of Kyaikmayaw Fishermen Association, MCL did promise [in a workshop] that the ships will use an alert system and run at low speeds, they also claimed they will give compensation to Fishermen if their ships hit other boats, destroys fishing nets or any other properties. However, fishermen have claimed that this has not been occurring.

U Khin Kyaw Aung, vice-chair person of Kyaikmayaw fishermen association, expressed his concerns dramatically but accurately:

““When they normally go, the waves are very high, one or two feet but it can get to 1,000 feet. Their waves are like tsunami waves. We have no time to run or avoid it. If we are trapped under the wave, there is no way to appear again. They will only compensate when they hit us, but we will already be dead then if we have been abused a lot and our anger grows more and more, we might act out of control. If this happens, unexpected problems will occur” ¹⁰⁸

In Kabyawa local people are also becoming increasingly concerned about FDI and their livelihoods:

“The Strand Road project is related to an Oil & Gas project. They started their work just four months after Aurum’s entrance. The Oil & Gas project will use big ships, we, the fishermen, won’t be able to catch the fish. There will be negative impacts”.

Although Kabyawa villagers have also expressed that the new project will also positively impact them because they will be able to sell fish at a higher cost:

““Tourism won’t have any impact on fishery. It can even give more opportunities. The local people can sell their fish and prawns at a good price. 1.6kg of dried prawn costs 15,000 kyat before but now you can pay 25,000 kyat. There are lots of Irrawaddy residents here and there is not enough accommodation for them. A 17x17 land plot costs 30,000 Kyat before and some people re-sold the land plot at a price of 70,000 Kyat. Even a 70,000 Kyat land plot has been resold at

¹⁰⁸ HURFOM, Interview No. 10, U Khin Kyaw Aung, Vice-chairperson of Kyaikmayaw Fishermen Association, Kyaikmayaw Township, 10 May 2016
6.10. Environmental and social impact assessment

The EIA assesses the environmental impacts of a proposed project by taking into account the socio-economic, cultural and health impacts. Dr. Win Myo Thu commented extensively about EIA-SIA to allow for local people to understand the impact of a project on the environment and the society. The aim of EIA-SIA is to assess then consequences from a project.

“For example, if we start a mining project, we have to lose the forest surrounding the area there. So we have to consider that we can replace the forest or not. If there are precious trees or animals in the forest, we can’t replace them. They will become extinct. In foreign countries, they create Zoo’s for animals that were evacuated from the affected areas. We have to be careful not to hard the environment or the animals.

MCL conducted an EIA-SIA and hired another company to collect the data. Many companies manipulate the results of the study in order to please the hiring company as the assessment is costly and time consuming. This is one reason why society questions the reliability of EIA-SIA companies. Although, these companies do have ethical guidelines they should be following. It is more likely the assessing company will follow ethical guidelines if the media shadows. These assessment

HMOM, Presentation No.4, Ko Soe Thein, Activist from Kabyarwa, Ye Township, May 2016
companies are costly mainly due to the required specialists. They require water, land, air, forest and animal specialists in order to accurately assess impacts from proposed projects.

For a successful EIA-SIA, companies should conduct these assessments prior to approving the project. The public should also be kept in the loop about the assessment and results. Local people tend to be more familiar with the surrounding environment and some should be involved with the assessment company.  

"When we do extractive industry business, it will affect the environment more or less. But we have to minimize the impacts so not to harm the environment too much. We must keep a balance between development and the environment. There must be a good trust-building process between the investors and the local people".  

It is important for the released and final documents to be translated into the local language and distributed to the public. Companies should respect the response of the local people.

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110 For good governance see “Safeguards” from the World Bank on their policies on environmental and social issues, which have been accepted by the GoM for World Bank Projects

111 HURFOM, Interview No. 19, Dr. Win Myo Thu, Co-Founder and Director of ECODEV, Ngwe Moe Hotel, Moulmein Township, 22 April 2016
7. CONCLUSION

FDI has been causing a lot of instability and insecurity for the local populations in Mon State. Many villagers have expressed their concerns about new projects developing, especially those that will use coal-fired power. It is clear that local people accept FDI; however, there should be transparency and compensation in full. Currently there is no support for local people once FDI has come and gone. Villagers are left without income, land or livelihoods. There is insufficient protection and limited rights over land and fishermen rights.

Many news agencies including Mon News Agency, have been reporting extensively about the coal-fired power issue. It remains a large issue in today’s society and new agencies and NGO’s should continue to report on FDI due to the lack of transparency and accountability from investment companies.

The 2012 Farmland Act offers weak land security for farmers, with forcible acquisition of land for the State purposes continuing to be endorsed. This is a concern given that the law lacks guidelines on the circumstances in which this is acceptable and the processes by which this may be justly undertaken. Legislation does not make due effect to ensure that, in line with international law, State rights to acquire land for public purposes are not abused.

Much of the time there is also a language barrier between FDI companies and local people. Companies are using this to their advantage, claiming that local people did not understand the plans correctly.

The lack of financial knowledge amongst local people enables investors to successfully make unfairly low offers of compensation and abuse their power in order to gain land. Villagers lack financial skills that are needed to successfully negotiate contracts with large companies. It is unpredictable what the new Democratic government will bring in terms of FDI. The new government has high hopes for supporting the local population and only time will tell what changes will be developed.

The previous government has taken no responsibility for their actions regarding unjust land acquisition and regarding to complaints made by the local population. Human rights abuses are no new issues for Burma, but with the help of this research project and the new government, hopefully these abuses will slowly become less.
8. RECOMMENDATIONS

HURFOM recommends the government to:

- Reform laws to protect local peoples’ interests and offer legal representation and advice in cases of unjust land acquisition and compensation rights; also in relation to Fishermen and their rights.
- Establish clear guidelines and outlining mechanisms for deciding on fair compensation.
- Employ an independent and transparent legal representation to investigate and decide on cases in relation to FDI. All investigation and decisions made should be reassessed to limit the effects of bias in the handling of appeals.
- Publicly sentence unjust confiscations of land and ensure that, in compliance with international law and as part of the peace processes, land is restored to victims or fair compensation is paid. In relation to Fishermen, investigate and sentence unjust actions by companies. The Government must recognize the demands of international law for actors in post-conflict settings bringing about concrete results for farmers and fishermen in a fully transparent manner.
- Set a no-tolerance policy for unjust land acquisition perpetrated by companies and ensure that conduct is thoroughly regulated.
- Adopt a Standard relating to coal-fired power plants.
- Consult the World Bank policies, especially those regarding environmental and social safeguards.

Investors active in Mon State should:

- Follow responsible conduct, ensuring that free, prior and informed consent is sought from all parties and fair compensation for land and damages is paid. Where appropriate, investors must make the effort to translate any information into the Mon language when negotiating with local people.
- Commit to full transparency in all projects undertaken. Companies should disclose whether projects are in fact genuine State projects, and if so, detailing permissions granted, and project timeframes listed in permissions. If no State permission was granted, or projects have been terminated or timeframes exceeded, then in line with Farmland Act (2012) Article 32 land acquired without free, prior and informed consent must be restored immediately.
- Publish previous track records about their earlier projects in order for the Burmese government to understand the company better, whether they will...
follow the law or not. Companies should come up with a 10 year emission reduction plan if they plan to use coal-fired power plants.

Local administration and government departments should:

- Eliminate corruption and collusion. Government and companies should fully commit to protect the rights of the people, whether personnel are involved early on with negotiations or later when investigating or deciding appeals;
- Cooperate fully to inquiries and exhibit to local residents that disclose abuse will not be met with reprisals.

Government, local administration, political parties, NGOs, CBOs should:

- Make concrete efforts to enhance the local people’s capacity to handle disputes, particularly by offering accessible legal counsel and financial skills trainings.
- Educate local people on the environmental impact from coal, there should be awareness training.
- Create an Environmental Protection Agency to solve conflicts and inform local people about environmental issues.

Mon State people should:

- Cooperate with investigations of disputes and provide honest and accurate information

The International Community should:

- Call on the government to more fully commit to protecting the rights of farmers and local people in all cases
- Promote responsible conduct by all foreign investors active in the Mon State region
- Should work to increase capacity-building schemes in areas vulnerable to intimidating tactics for the sale of villagers’ land
- Allow access to education surrounding land rights and laws in order to improve their awareness for local people
- Participate in the system of monitoring and evaluation.
10. Appendix – Letters of complaint; petition signatures
Figure 52: Proposed letter to local government to change land ownership from the local people to the company name
Figure 53: Original land owners requesting their land be returned
Figure 54: Company announced they want to use farmland as factory land. The second letter are those villagers that appose the factory proposal.
Figure 55: Local people requesting their land be returned because the company is not developing the factory for a state-run project
Figure 56: Permission from the State government to use the farmland as factory land in Pyar Taung Area
Figure 57: Community letter to stop the use of coal by MCL
Figure 58: MCL requests to use 100’s of acres of land to use as factory land