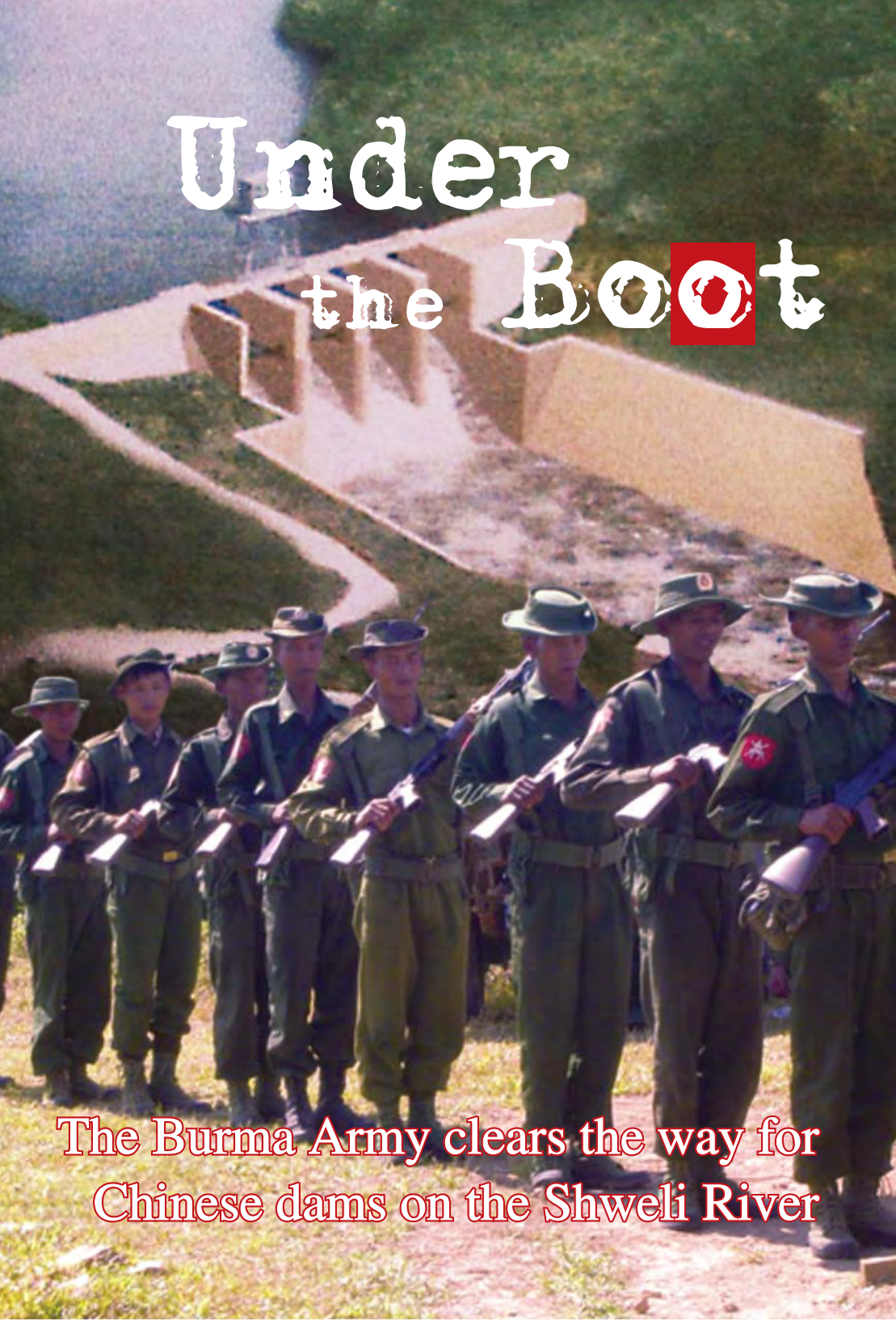
Under the Boot



The Burma Army clears the way for Chinese dams on the Shweli River

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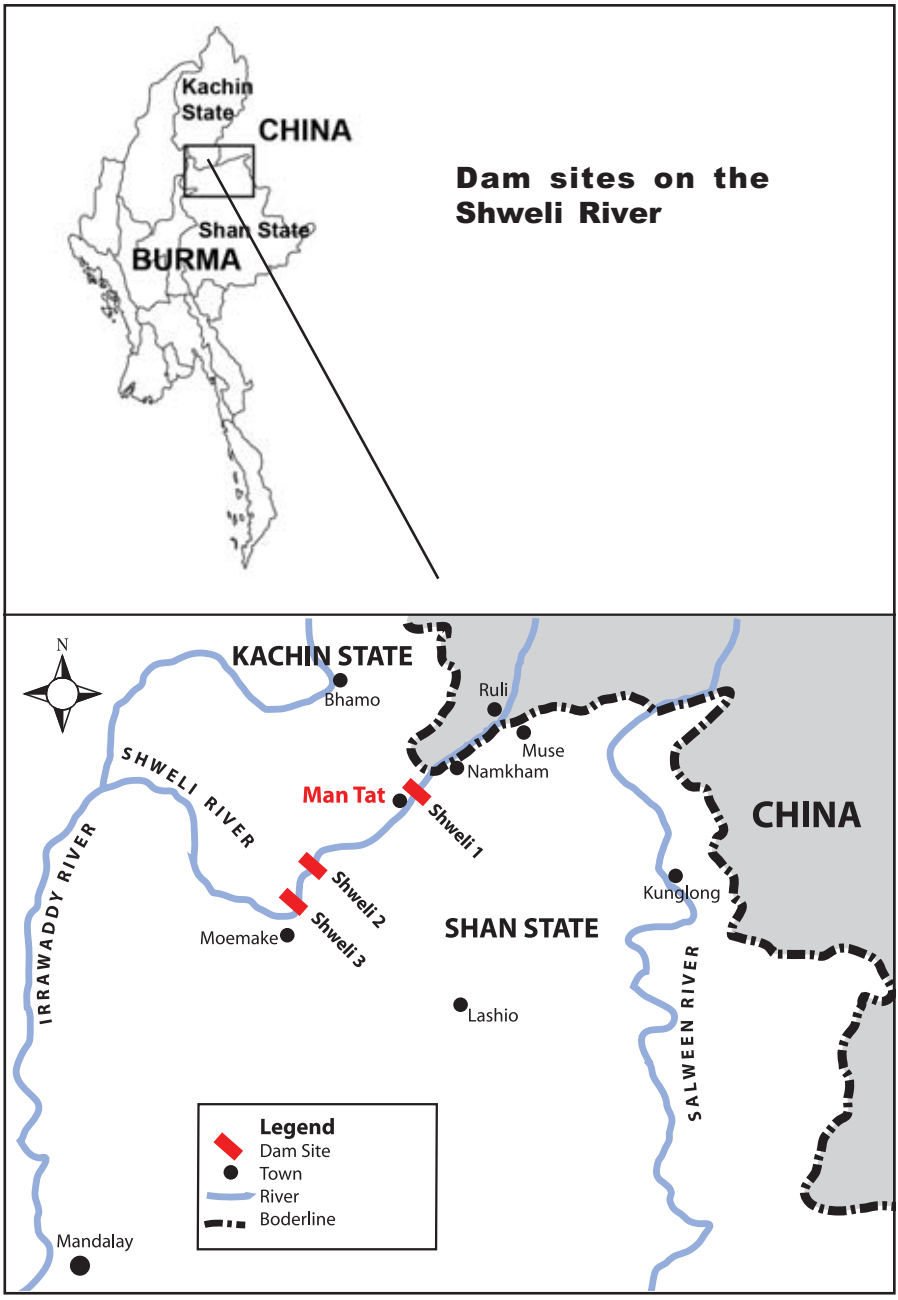
At night the Shweli has always sung sweet songs for us.
But now the nights are silent and the singing has stopped.
We are lonely and wondering what has happened to our Shweli? – Palaung elder (Interview 39)

This is the story of Man Tat village, a hamlet of 700 ethnically Palaung tea and rice farmers, fishers, hunters, mothers, and children. The village is located 90 kilometers from the Chinese town of Ruili, inside northern Burma. In late 2000, 300 armed soldiers from Burma's army converged on the village and set up a permanent base there. Unbeknownst to the villagers, Burma's military junta* was planning to build a hydropower dam on their sacred Shweli River together with Chinese companies. Nothing has been the same since.

* The junta is currently called the State Peace and Development Council or SPDC

“The Shweli has always sung sweet songs for us...”

Before the project


Kachin State
CHINA
Shan State
BURMA
Dam sites on the Shweli River
N
KACHIN STATE
Bhamo
Ruli
Muse
Namkham
SHWELI RIVER
Man Tat
Shweli 1
Shweli 2
Shweli 3
CHINA
Kunglong
IRRAWADDY RIVER
Moemake
SHAN STATE
Lashio
SALWEEN RIVER
Legend
Dam Site
Town
River
Boderline
Mandalay

Man Tat village: before the dam

Man Tat is a Palaung village in Burma approximately 90 km from the Chinese town of Ruili with a population of 700. The village is situated on a hill on the bank of the Shweli River, a tributary of the Irrawaddy River. A six mile stretch of spectacular waterfalls on the Shweli is located near the village. The 1,000-foot gradient of the falls presents a technically advantageous location for generating hydroelectricity and they were therefore chosen as the site of the Shweli 1 Hydropower Project.

Prior to 2000 when the project began in the village, most residents had hillside paddy and tea farms and caught fish from the river for their home consumption and to sell in the village. Farmers brought their tea and other farm products into the main town of Namkham, 27 kilometers away, to buy salt and other necessities in the markets there. Some people sought daily or long-term work in other townships and regions. Two thirds of the villagers relied entirely on their farmlands for subsistence.

There was one primary school in the village; those that could sell their farm produce used the income to send their children to post-primary school in Namkham. There was – and still is – only one nurse in the village who as a state worker earns merely 10,000 kyat (US$8.30) per month. In order to make enough money to fend for her family, she buys medicines from outside the village and raises the price to sell in the village. Many medicines are not available at all. The prevalent diseases continue to be malaria and diarrhea.

Currently, there is no electric power supplied by the government in the village. Villagers use their own engine-powered generators that provide for just 10% of the demand. Most families use candle light and oil lamps in their homes.

Man Tat village is surrounded by mountains full of hardwood forests rich in edible forest products and natural herbal plants used by local people for medical purposes for generations. Prior to the dam project, tigers, elephants, deer, and a variety of other animals roamed the area near the village.

There was no permanent Burma Army base near Man Tat and very little Burma Army activity nearby. Villagers were able to go their farms freely, and travel to the town of Namkham without passing through any military checkpoints.

The Shweli River

> *"The river is like our factory because she produces fertile soil each year. Every villager plants gardens on the river bank and these are necessary for our family income. If we can sell these crops, it supports our children's school fees."* (Interview 40)

The Shweli River is a main tributary of the great Irrawaddy River and is called Ohnmtamao in Palaung language. Its source lies in China's Yunnan province at 11,000 feet above sea level. The river runs past Burma's Mu Se and Namkham towns and flows into the Irrawaddy north of Mandalay.

When the water levels recede after the rainy season, most villages close to the river start growing crops on the fertile river banks. People subsist on these river bank gardens for their vegetables and don't need to buy food in the markets.

The Shweli has several natural springs, fish caves, and waterfalls that are the source of local legends. One famous traditional song tells the story of Shweli and is very popular in Palaung culture (see opposite).

> ***"The Shweli is essential for our survival – we use it to catch fish, hunt, and trade; in the winter we plant chili, corn, tomatoes and beans on its banks. We use the water from Shweli to take a bath, wash our clothes, cook, and drink. The Shweli is a part of us every day."*** **(Interview 36)**

River flowing through gorges and rocks
(traditional song)

Oh! Shweli,
(Flow, flow forever)
You surge from the mountains and ranges,
but don't stand still there
then flowing down along the slopes.

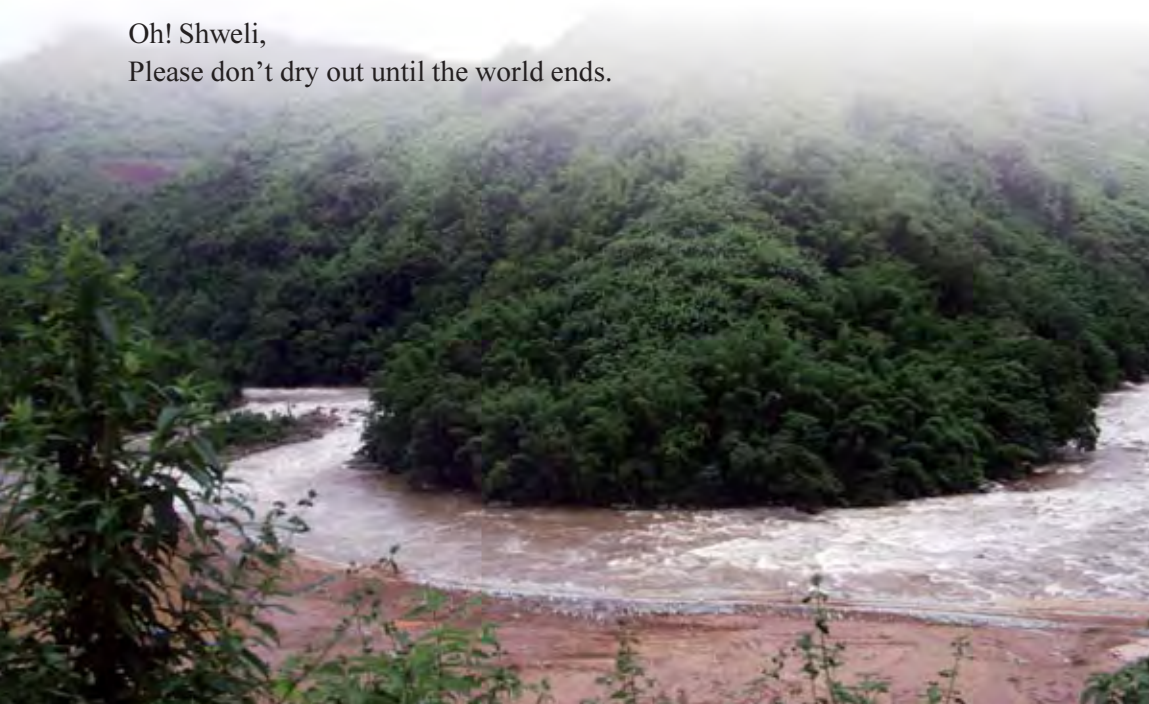
You bring peace to towns and villages of Ta'ang people
bringing development and prosperity to our culture, tradition, customs.

Oh! Shweli,
You are the origin of our Ta'ang people
you are the resources of our people to grow and spread.

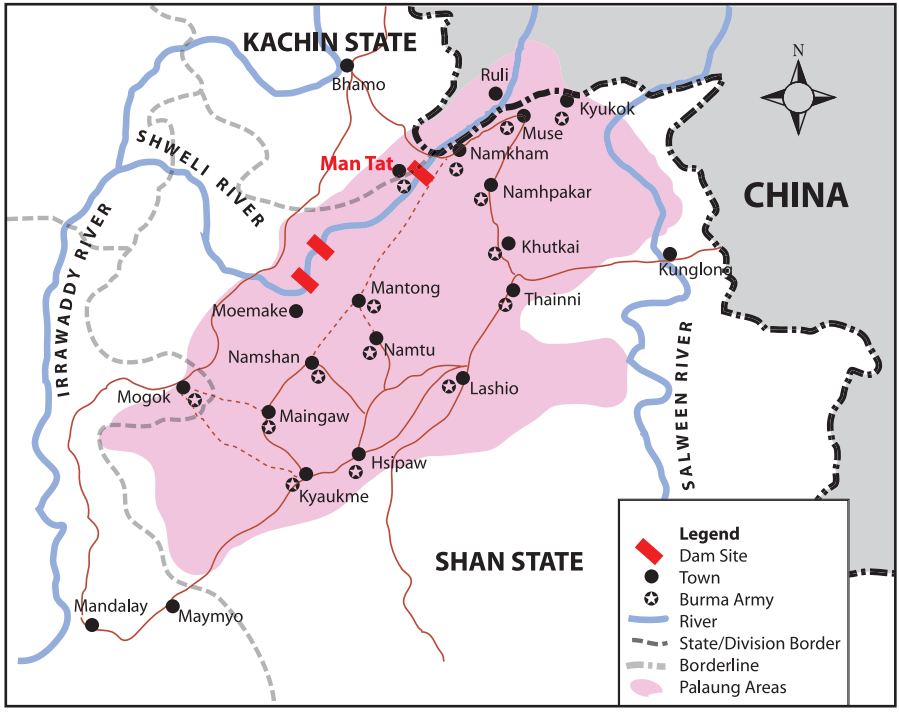
Hold our hand tightly,
as we need harmony
to prevent the vanishing of our Ta'ang people.

We must realize our literature and our culture,
and we must preserve it.

Oh! Shweli,
Please don't dry out until the world ends.



Palaung areas



Harvesting tea

Celebrating novice ceremony

Traditional Palaung ceremony

The Palaung people

The Palaung people are one of the indigenous nationalities within the multi-national Union of Burma, calling themselves Ta'ang in their own language. The Palaung population is over one million, and most live in the mountains of the Palaung land, in northern Shan state. A large number of Palaung also live in towns throughout southern, northern, and eastern Shan State. Today some Palaung also live in China and Thailand.

The Palaung are descended from the Mon-Khmer. They have a long history and a strong sense of their unique identity. They have their own language and literature and a distinctive traditional culture; in the past they also enjoyed their own territory and a self-sufficient economy. The Palaung are predominantly Buddhist with less then ten percent being animist or Christian.

The customary lands of the Palaung people have many ruby and sapphire mines, and also minerals such as silver, zinc, gold and aluminum. The Palaung have a long tradition of tea-growing on upland farms, and Palaung tea is famous in Burma for its high quality. They also grow a variety of temperate fruit crops such as apples, plums, and avocados which are highly valued in the lowland areas. In addition to the Palaung, ethnic Shan, Kachin and other peoples reside in the area near Man Tat as well.

"The Shweli project is to develop ethnic peoples' social life. The people will get a lot of benefit from this project. The electricity will be used for the government's development projects for the country." **(General Myint Hlaing, Northeastern Commander, at the opening ceremony)**

Shweli 1 Hydropower Project

ရွှေလီရေထိန်း တမံ ၏ ပန်းချီ ပုံ

The Shweli flows around to the south of Man Tat village in a 'U' formation. The starting point of the 'U' serves as the dam site and the exiting point, as the power station site. A tunnel penetrates through under the Man Tat hill (see project diagram on following page).

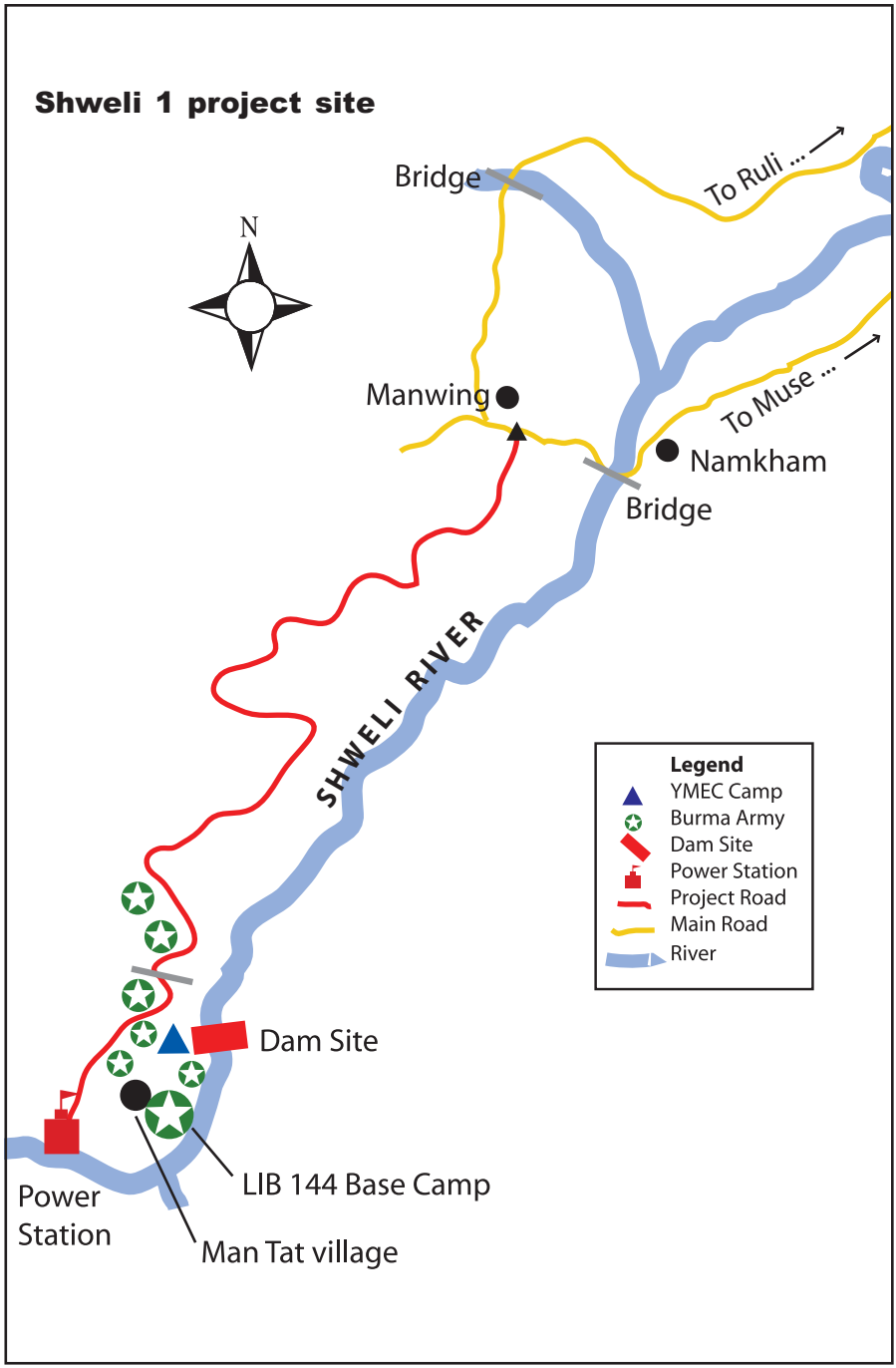
According to a project document published by the Ministry of Electric Power,[1] the aim of the Shweli 1 Dam Project is to construct a dam across the Shweli River and divert the water along a conduit tunnel through the hill to feed a power station that will generate electricity. The electricity will be generated at the power station and transmitted to "various firms and factories, towns and villages throughout Burma through high voltage cable lines and substations." The Ministry's document specifies that electricity will be transmitted to the Namtu mine, the Monywa copper mine, and the Thabeik Kyinn nickel mine. The ministry is planning two additional dams downstream.

According to the current Build-Operate-Transfer agreement for the "Shweli River 1 Hydropower Station" between Chinese and Burmese partners (see Appendix for full list of partners), the installed capacity of the project will be 600 MW. The actual power supply will be 174.8 MW, and the annual power output 4,033 GWh. The electricity will be transmitted to both Myanmar and China through 230 kV and 220 kV cables.[2]

Project details in brief

Dam type	Concrete Gravity Dam
Dam structure length	531 ft (162m)
Dam structure height	154 ft (47m)
Diversion tunnel	33 ft diameter, Length, 256.41 m
Conveying tunnel	23 ft diameter, Length 5,014 m
Installed capacity	600 MW
Initial construction costs	US$185 million[3]

[1] *The Shwe Li hydroelectric project,* text published on February 22, 2004 by the Ministry of Electric Power, Hydroelectric Department, Government of the Union of Myanmar.
[2] China's 1st Hydro BOT Project in Burma Revs Up, Xinhua Net, Dec 30, 2006.
[3] These costs were for the construction of the dam structure, conveying tunnel and equipment installation (see Appendix). This does not include the power station construction, road construction, and transmission infrastructure.


Shweli 1 project site
Bridge
To Ruli ...
N
Manwing
To Muse ...
Namkham
Bridge
SHWELI RIVER
Legend
YMEC Camp
Burma Army
Dam Site
Power Station
Project Road
Main Road
River
Dam Site
LIB 144 Base Camp
Power
Station
Man Tat village

YMEC
瑞丽江水电站造福缅甸人民
SHWELI HYDROPOWER STATION BENEFITS MYANMAR PEOPLE

Project timeline

2000 A military base for a battalion of 300 soldiers is established in Man Tat by the end of the year. Feasibility studies are carried out by the Chinese Yunnan Machinery Equipment Import & Export Company Limited (YMEC).

2001 As soon as the military base is finished, the Asia World Company sets up a work camp near Man Tat and begins construction on a project road, forcing people to help pave the road.

2002 Preliminary agreements for detailed studies of the project are signed between the Burmese Ministry of Electric Power and YMEC on February 26.

2002 Forty-nine technical staff from YMEC carry out detailed geological surveys of the site from March-July. They produce detailed plans of the dam structure, power station, diversion and conveying tunnels, and present statistics relating to tender criteria.

2001-2 Asia World builds a 29-mile project access road from Manwinggyi village to the power station to facilitate the transport of big machinery for construction. This road was completed in May and widened in September. Asia World also builds roads from company work camps to the village.

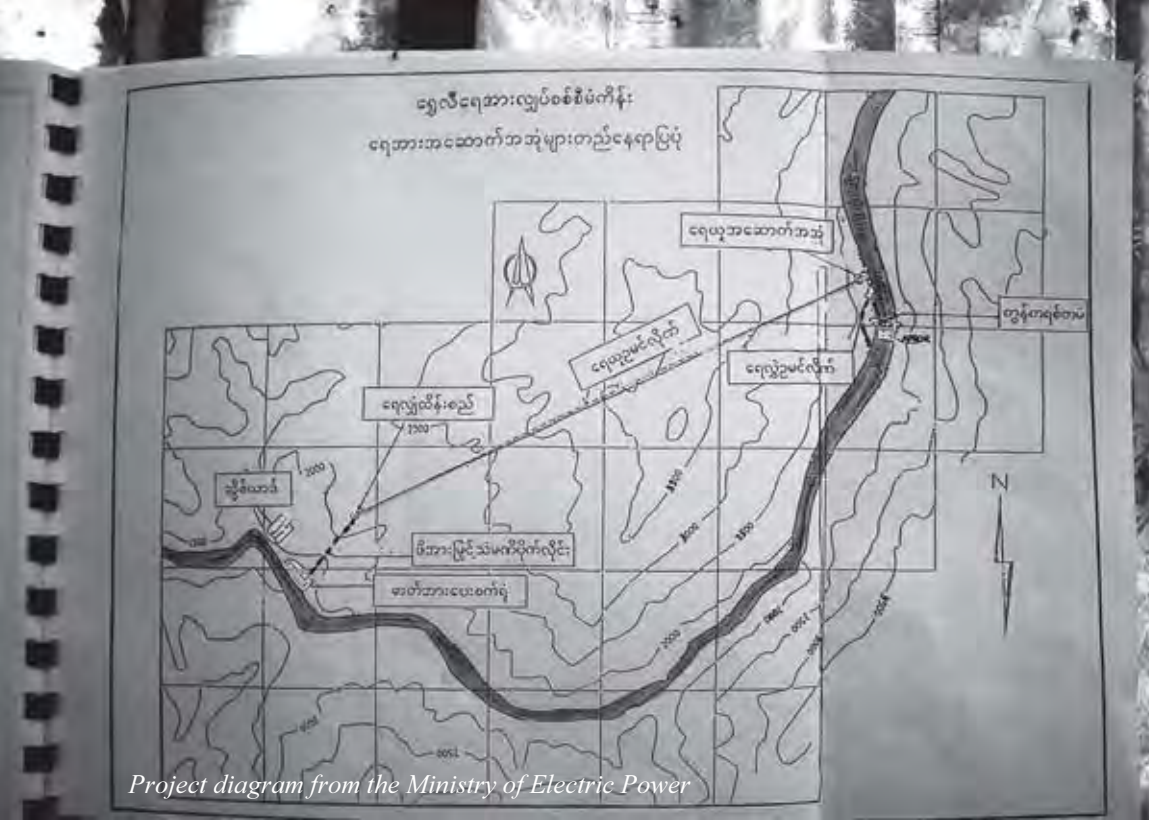
2003 An official opening ceremony is held in November. The Northeast Regional Commander, the Minister of Electric Power, the president of YMEC, and managers from Asia World Company are present at the ceremony.

2004 In June, YMEC builds a worker village in Man Tat and a contingent of 200 Chinese workers arrives. They deliver and operate equipment, machines, and vehicles at the site and break ground for the tunnel excavation.

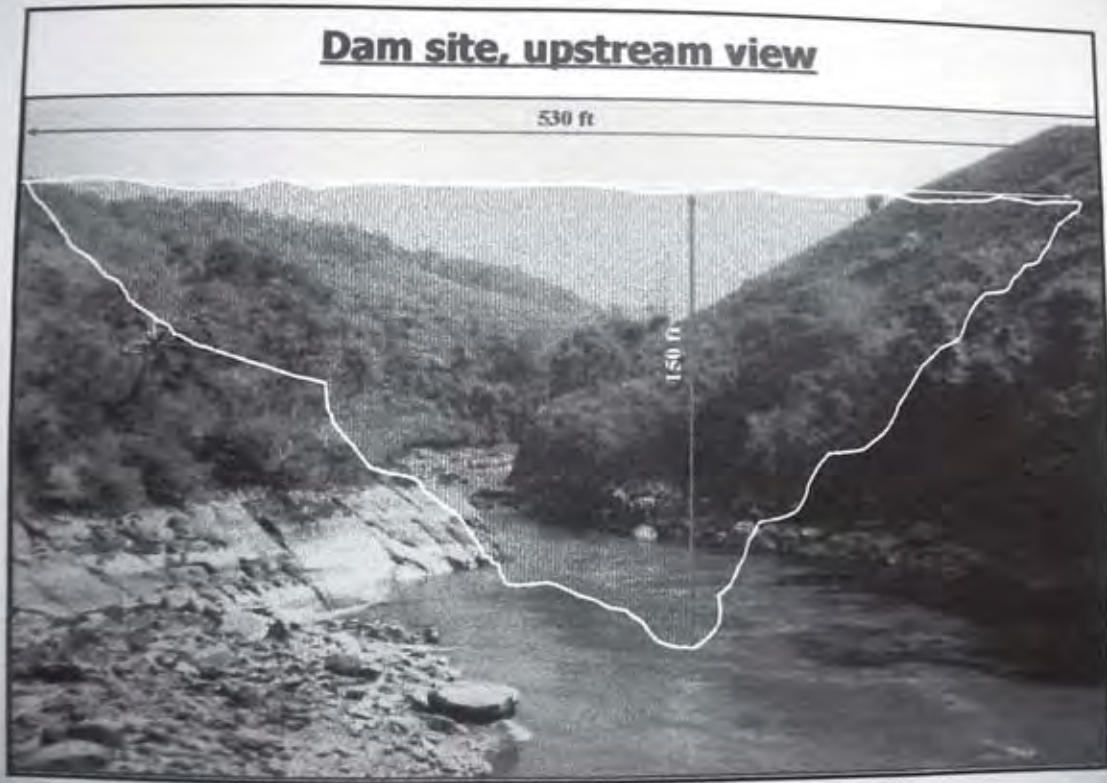
2006 Build-Operate-Transfer (BOT) agreement signed in December.

2007 Senior General Than Shwe visits the site in April and the project is 51% complete. The power station is not yet operational.

2008 The first hydropower turbine is expected to begin generating electricity by the end of the year.



Project diagram from the Ministry of Electric Power



Senior General Than Shwe visits Shweli 1 site in April 2007

Prime Minister Soe Win with generals and Chinese company officals at the Shweli 1 site in September 2006

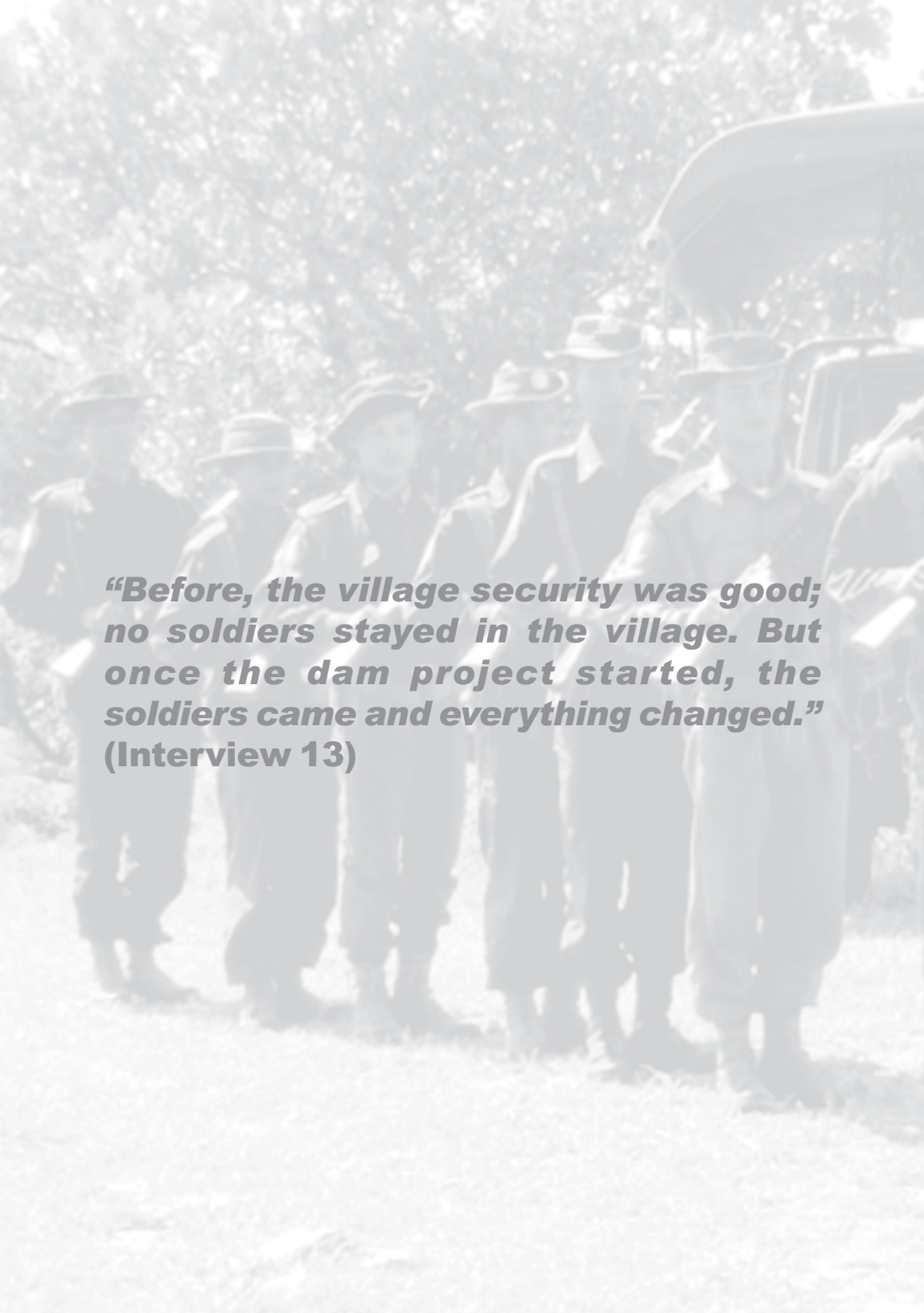
New Light of Myanmar

Sinohydro celebrates the successful "damming of the Shweli" in December 2006

Sinohydro website

Prime Minister Soe Win and party inspects construction of the intake tunnel at Shweli Hydroelectric Power Project

New Light of Myanmar

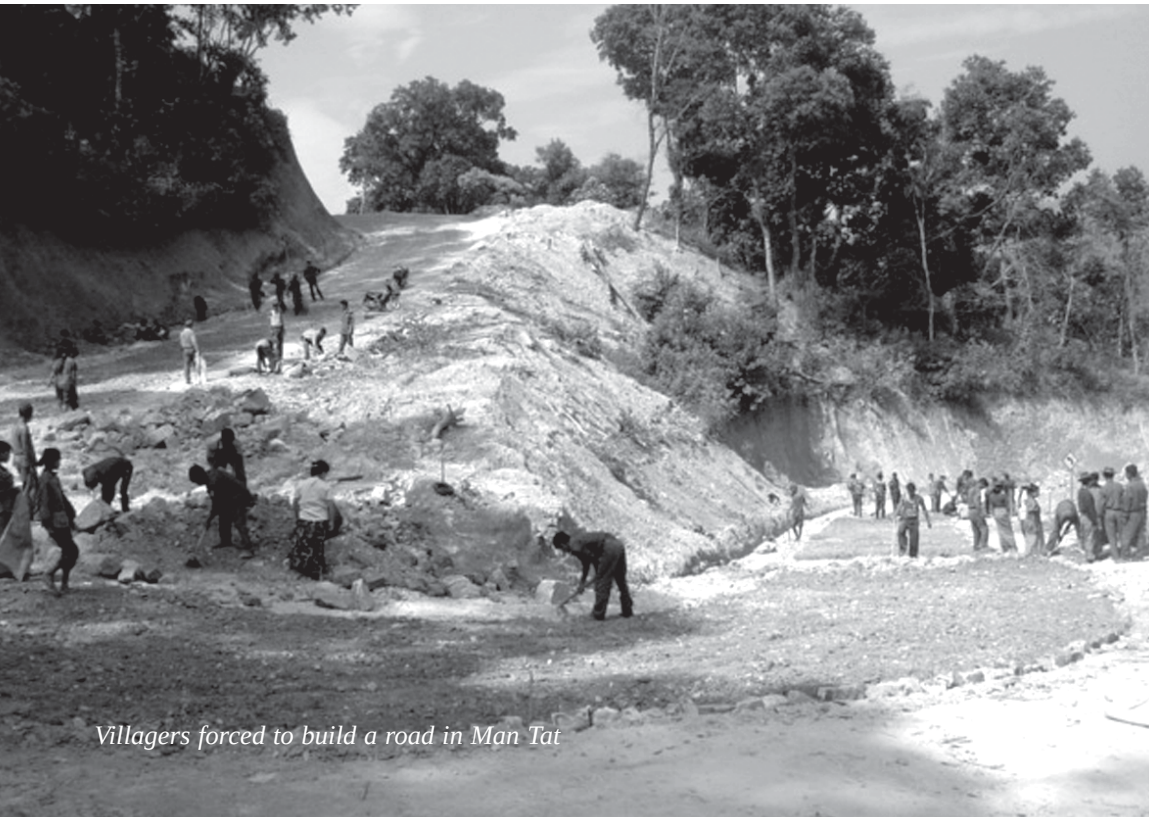


“Before, the village security was good; no soldiers stayed in the village. But once the dam project started, the soldiers came and everything changed.”
(Interview 13)

Soldiers Arrive

During some initial feasibility studies in late 2000, Light Infantry Battalion (LIB) 144, comprised of 300 soldiers, moved into Man Tat and began setting up a military base adjacent to the entrance gate of the village. The soldiers immediately seized local lands for the establishment of their base camp and ordered local farmers to clear land and build the camp. One farmer said:

> *"They treated us like slaves; we had to do what they ordered. Some people hadn't even finished their breakfast but had to go. We worried for our family members' evening meal, as we have to fend for our living from hand to mouth. If we were helping fellow villagers build something we could ask for some rice for our family. But this work was for the military; our wives back home had to borrow rice from other people for cooking. The village headman could only breathe easily when the villagers complied with the orders, otherwise he would be punched and beaten."* (Interview 7)



Villagers forced to build a road in Man Tat

Target practice for the soldiers

Inside the camp, a backhoe was used to rip open a swath of the hill to set up a target practice area for the soldiers:

> *"Our village used to be filled with a natural beautiful landscape, but after the military came, all the natural beauty has disappeared leaving the landscape pie-bald. The only green spots are that of the military uniforms and after the completion of the project there will certainly be more 'greens' coming to the area."* (Interview 14)

In order to build their camp, the soldiers cut down trees and bamboo normally used by villagers:

> *"Since the soldiers arrived, all the bamboo near the village has turned into barracks coverings. They came and cut down our resources as they pleased; they didn't ask the owners for permission to cut. When the owner objected they would say that*

it would be the last time. And when another group came, the same story went on. By and by, all the bamboo was gone. No action was taken against anybody on this case. Only the civilians suffer the loss. There was no bamboo to be used at the novice ceremony last April. We couldn't even build a resting shed for the novices." (Interview 12)

After seizing lands and natural resources for the camp itself, the battalion then went about taking fertile farmlands for its own crop production.[4] For example in July 2005, Major Ba Aye from LIB 144 ordered his men to root out the seedlings from local farms and plant their own seedlings as a military farm project. One 12 year-old girl who has had no chance to go to school said simply: *"Our farm plots were confiscated. Now there is not enough rice for us."* (Interview 15)

[4] Central authorities have imposed a policy that every battalion and department fend for itself by growing its own food. This effectively empowered the military sector to forcefully expropriate local residents' farms to grow crops for themselves.

A military farm near Man Tat

A checkpoint near the dam site

Once the military camp was built and military farms established, roads to and from the base camp were built and checkpoints erected. Today there are three large and three small checkpoints in and around the village where there were previously none. A company of 10 soldiers is posted to check the ins and outs of every person; another company is posted 5 miles southwest of the base camp. Villagers now have to inform authorities if they wish to go outside the village, either to the market in Namkham or even to their fields outside the village. Commanders have a list of all families and check carefully who passes through the checkpoints.

> *"I went to visit my uncle in Man Tat village and I had to pass many checkpoints to get into the village. They asked me many questions. I told them that I was going to help my uncle on his farm. 'Show us your fingernails' they told me, and they checked if my hands were dirty enough to be a farmer's hands. I was so scared what they would do to me."* (Interview 51)

Soldiers marching through the village on drills

Inside the village, farmers began worrying about going to work in their fields now that soldiers were roaming around everywhere. Every day columns of troops line up and conduct drills, marching through the village. People are anxious and afraid to go to their tea farms, paddy farms, or hunting and fishing areas outside the village.

> *"They conduct the drills when we are on our way to and from our normal day to day farm work. The troops line up on the main village entrance road. We have to stand and wait for 15 to 30 minutes just watching them. No one is allowed to pass when it is underway. If there were critically ill patients, they would be dead while waiting for the end of the exercises, because everyone must wait until the soldiers are finished."* (Interview 19)

Soldiers use their position of power to extract money, assets, and materials from villagers:

"At the end of April this year (2006) the soldiers made the villagers plant dry season paddy on their farms, which are now army property. One day the villagers' livestock were grazing near those farms. The soldiers drove about 20 grazing cattle into the farms and made the villagers pay for the loss done. They had to pay two tins of paddy per cattle head. Actually they did not have enough of their own paddy but had to manage to get it somehow." (Interviews 8, 9)

"Since the soldiers have come, they've taken my rice, oil, beans and cooking pot without asking. We cannot say anything because we are afraid of them and their guns." (Interview 21)

Women and girls are particularly frightened and reluctant to go far from their houses. Local girls feel unsafe staying in the village at all and are trying to get out and move to other townships. Parents fear letting their daughters go out and are constantly worrying for them.

When a soldier falls in love with a girl, she is too afraid to argue that she doesn't like him and is therefore in reality forced to marry. Since 2000, over twenty girls from Man Tat village have been forced to marry soldiers from LIB 144. Customarily, to marry a local girl one has to offer some 300,000 kyat (US$250) as the dowry. But families are lucky to get 30,000 kyat (US$25) from the SPDC soldiers even after much negotiation. "This situation is harmful to local customs and is degrading for the local girls" said one local woman. "Their [the soldiers] presence poses a great threat to the young village girls' security." she added. (Interview 4)

Young women are forced to marry soldiers

The labor equation

Villagers in Man Tat were forced to work on Asia World's project road beginning in 2001. They were promised the going daily wage rate but in the end they were only paid half that rate by LIB 144. One interviewee explained:

> *"They told us they would pay 1,500 (US$1.25) per day but they only gave us 800 (US$0.66). I heard that the battalion already got a budget to build the road, so they probably just took half the money for themselves."* (Interview 43)

One person from each household in Man Tat was also forced to "contribute their labor" to build a road from the village to the first project camp in 2002. Groups of 20-25 were sent in rotation.

Although villagers were forced to work on road construction for no pay or for unfair pay, they could not get any job at the project construction site; only Chinese workers can work at the site.

Villagers forced to build a road

Above and below: soldiers from LIB 144 at their camp in Man Tat

General Tin Htut and Asia World officials

Top generals arrive for opening ceremony

In November 2003, an opening ceremony was held in Man Tat. The Northeast Regional Commander, the Minister of Electric Power, the president of YMEC and managers from Asia World Company were present at the ceremony. Although villagers had seen Chinese workers surveying the river, this was the first time that many heard what was truly about to happen to their river and village.

Leaders of the Union Solidarity and Development Association (USDA)[5] came to Man Tat from the town of Namkham. As villagers arrived at the ceremony, they were given a ticket prominently displaying USDA's logo that they were required to pin to their shirts. They were also forced to present gifts to the guests and listen to declarations by the military generals, and strongly encouraged to support the project:

> *We have made agreements with YMEC since 2001 for this project. The electricity will be used for official government development projects and for the local people. If you do not cooperate with us for this project, it will be impossible to finish smoothly.* (Minister of Electric Power General Tin Htut at the opening ceremony)

---

[5] USDA is a nation-wide organization formed by the military junta in 1993 that serves to rally support for the current rulers. The USDA motto is "Morale, Discipline, Solidarity, Unity." Its three national causes are: Non-disintegration of the Union; Non-disintegration of national solidarity; and Perpetuation of sovereignty. Membership in the USDA is rewarded with favors from the military and attending USDA events is often compulsory. Several analysts predict that the USDA will be the junta's political party once the new constitution is approved. The USDA is known to beat and harass pro-democracy activists, including in the May 2003 Depeyin Massacre and in the recent protests across the country.

[6] Experience from other hydro dams in Burma shows that not only is electricity commonly cost-prohibitive, it often is only SPDC offices and military camps that have access to the electricity. For example, the Lawpita power plants supplied power to towns in Karenni State but it was primarily military department offices, bases and homes that received full power supply at subsidized rates. The same was true of the Ching Hkrang dam in Kachin State; local residents had power only every four days while military bases had full access free of charge.

Despite the sweet-sounding words, no one directly promised electricity for Man Tat itself. To this day, local residents don't have confidence that the electricity from the project will be available to them or that it will be affordable:[6]

> *"Some say that we might be able to use the electricity, but the military will surely take the lion's share."* (Interview 24)

> *"The power cost should be lower when the Shweli hydropower plant is completed. But we can't tell how much the cost will be reduced - it could go higher up. We have to comply with the authorities' every whim."* (Interview 25)

Documents from the Ministry of Electric Power obtained by PYNG in 2005 reveal that in fact the electricity will be transmitted to military factories and mining operations, specifically the Namtu, Monywa, and Thabeik Kyinn mines. These projects provide little to no benefit for the local people and increase the revenue going to the military junta. The agreement between the Yunnan Joint Power Development Company and the Ministry of Electric Power specifies that power will also be transmitted to China.

In addition to the formal statements made at the ceremony, villagers heard from the soldiers that a hospital and a post-primary school would be built in the village as part of the "development" of the area. These claims, the villagers found out later, were also not fulfilled (see section False promises).

Military leaders and Chinese investors at the opening ceremony while local women, forced to perform in traditional dress, look on

"When they took my farm I had to clear another farm plot to subsist and to send my children to school. But just after tilling the new fields, the Chinese company building the conveying tunnel dumped earth onto the fields. After toiling for years on the farm now I've had to give up everything because of this dam project." **(Interview 23)**

Development or Destruction?

***"Our lives depend on our hillside, tea, and paddy farms. Yet as soon as the project started, our hereditary farms were taken without any payment. We still have not gotten any compensation. The local people became jobless without their lands and they cannot afford to travel to work in distant regions."* (Interview 31)**

Local residents have had their lands confiscated or destroyed for the clearing and construction not only of the military's battalion camp and military farms but also for roads, the dam site, and transmission line routes. In 2002, Asia World Company built a road that connects the dam site to the military base through local residents' tea and paddy farms. Roads were also built over irrigation canals, effectively ruining crop production. Some farm lands have become a dumping ground in the tunnel excavation process. In all, approximately half of the entire village has been impacted by land loss or destruction since the commencement of the project.

> *"I cannot carry on farming because they built a road over the irrigation canal near my farm. Actually this canal is the main lifeblood for our farms and when it was covered over, the lifeblood was cut off. Since there is no water for wet farms, there is no rice for the people."* (Interview 21)

Those whose farms were confiscated became immediately insecure. As two-thirds of the village lives from hand to mouth, losing land literally means losing food and food security. Previously the villagers sold their extra farm produce to the towns but now have no or less farm produce. This, coupled with the increase in rice prices due to the influx of newcomers in the village, has increased hardship.

> *"I didn't have to worry for my family's food before. My tea and paddy farms provided enough for the year. Now my land was taken without pay and I have to fix a big problem with my family food. Some people have to go to the city to find food for their family. The dam is making us poorer and poorer."* (Interview 48)

Table 1 Lands confiscated in Man Tat village due to the Shweli 1 hydropower project

Acres seized	Impacted families	Confiscator	Reason
> 10 acres of tea farms	12 Palaung families	LIB 144	Military camp
> 40 acres of farmlands	20 Palaung and Kachin families	LIB 144	Military farms
> 35 acres of forests, paddy and tea farms	20 Palaung families	LIB 144 and companies	Dam construction site
> 27 acres of forests and farms	20 Palaung, Shan, Kachin, families	LIB 144	Road construction
> 20 acres of farms	13 Palaung families	YMEC, Asia World, and LIB 144	Company camp; worker accommodation

Some of the same families were affected twice for different reasons. In all, a total 70 families, or half of Man Tat's households, have been impacted by the loss of vital lands.

"When the construction set up I lost my rice fields. LIB 144 soldiers came to my house and said they wanted to build the road past my farm. They said they would give us the price of our farm. So far I did not get anything and I now have to buy rice for my family. Before they took my farm I didn't have to buy rice." (Interview 34)

"My grandfather tended these farms and it was enough for his family. In my life the farm has provided rice for my family too. I didn't have to worry about food before. But since this dam project I have to borrow rice from other families. One officer from LIB144 said they would pay money for our farms as soon as the construction finished. Now I have to do difficult jobs for my family's daily food and I haven't seen any compensation." (Interview 30)

Dynamiting the tunnel has driven wild animals away

Excavated earth dumped on farm fields

In addition to the transformation of and damage to farmlands due to the influx of people and deforestation at the dam site, and the dynamiting to make the tunnel, many wild animals have disappeared. Soldiers and authorities have also killed and captured some wild animals:

> *"When I went to my field and tea plantation, I sometimes saw elephants, deer or other animals living close to the village. They did not harm the people. Since the construction project started, the Myanmar Forestry Department caught two elephants and sent them to the Myanmar Elephant Department in 2003 and 2004. Now I don't see any elephants anymore."* (Interview 44)

> *"Before, when I went hunting, I didn't have to go far to find animals - it was easy to hunt animals near what is now the construction site. I used to go once a week. But now there is no more forest near the dam construction area and no more animals. Besides, once the Burmese soldiers arrived in the village, they often went hunting in a big group. Now I'm too afraid to go hunting near the dam site; I worry the soldiers will do something awful to me."* (Interview 47)

False promises and the real results

Even though military leaders have boasted that the road projects for the project would improve transportation for the local people, they seem to be used mainly to facilitate the movement of soldiers, materials, and equipment.

One villager from Man Tat complained:

> *"Previously, we had to use the jungle road, but it was pleasant. We used to take our farm products and tea leaves to trade in the town on our horses and ponies. Now the road is good but there is no more farm produce to trade, and we have to go through too many checkpoints. In reality transportation is more difficult, the situation is much worse, and we are losing money."* (Interview 22)

For traders and drug dealers with enough money to pay their way through the checkpoints, transportation to Man Tat did become easier, however. All kinds of white and black opium and methamphetamines began to appear in the village and young people have become addicted.

The new military clinic in Man Tat; villagers are not allowed to use it

Despite hearing that a hospital would be built in the village, it has yet to materialize. A very nice clinic for the soldiers is now finished and operating but local villagers are not allowed to use it.

A post-primary school made of brick and containing six classrooms was completed in 2005. The government granted 270 million kyat for building the school. Given the size of the building and materials used, it is estimated that the construction costs should not have exceeded 150 million, yet no one knows what happened to the remaining 120 million. This may explain why although it is supposed to be a post-primary school, eight classes from kindergarten to eighth standard are packed into the 6 rooms and some rooms hold two classes simultaneously. The village and school administration are under the strict control of the military; the school principal often has to go to the military base and spend time away from his duties at the school.

Now that they are left without farms and are jobless, parents grappling for the family's subsistence forgo their children's schooling. Some remarked that

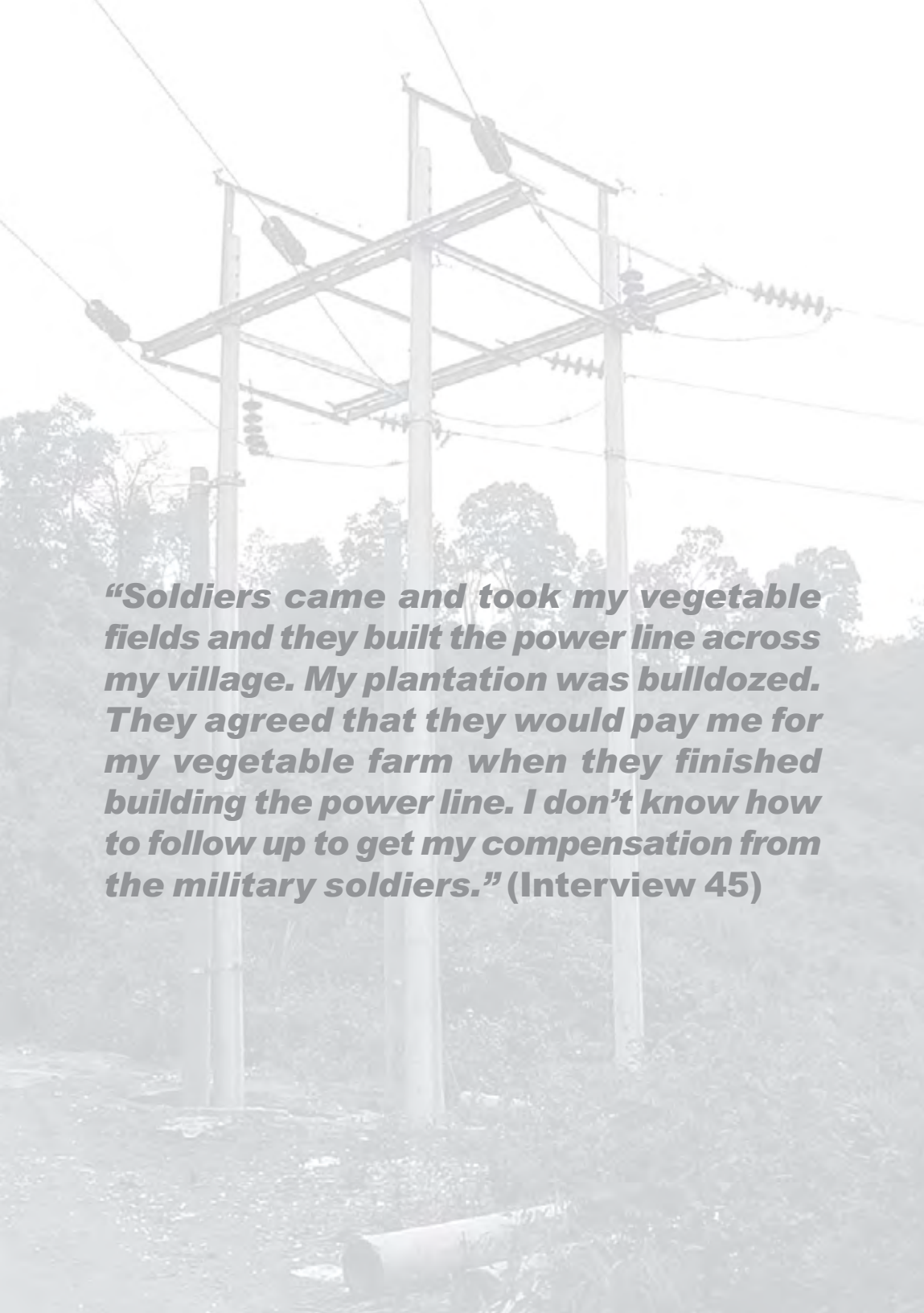
The new school in Man Tat; most children can not afford to attend

the village school before the Shweli project started had only bamboo walls, but at least the parents could afford to send their children to school.

The authorities said that they would pay compensation when the dam construction was finished. Yet to date villagers haven't gotten any compensation for their land evn though the construction is nearly complete. A few villagers along the transmission line route received some compensation but it was worth only one-third of the true land value. "To get that, we had to put up time and time again to the authorities. It is fortunate enough for us to get even this much" said one village elder. (Interview 19) Many villagers want to complain about the lack of compensation but they are afraid the soldiers.

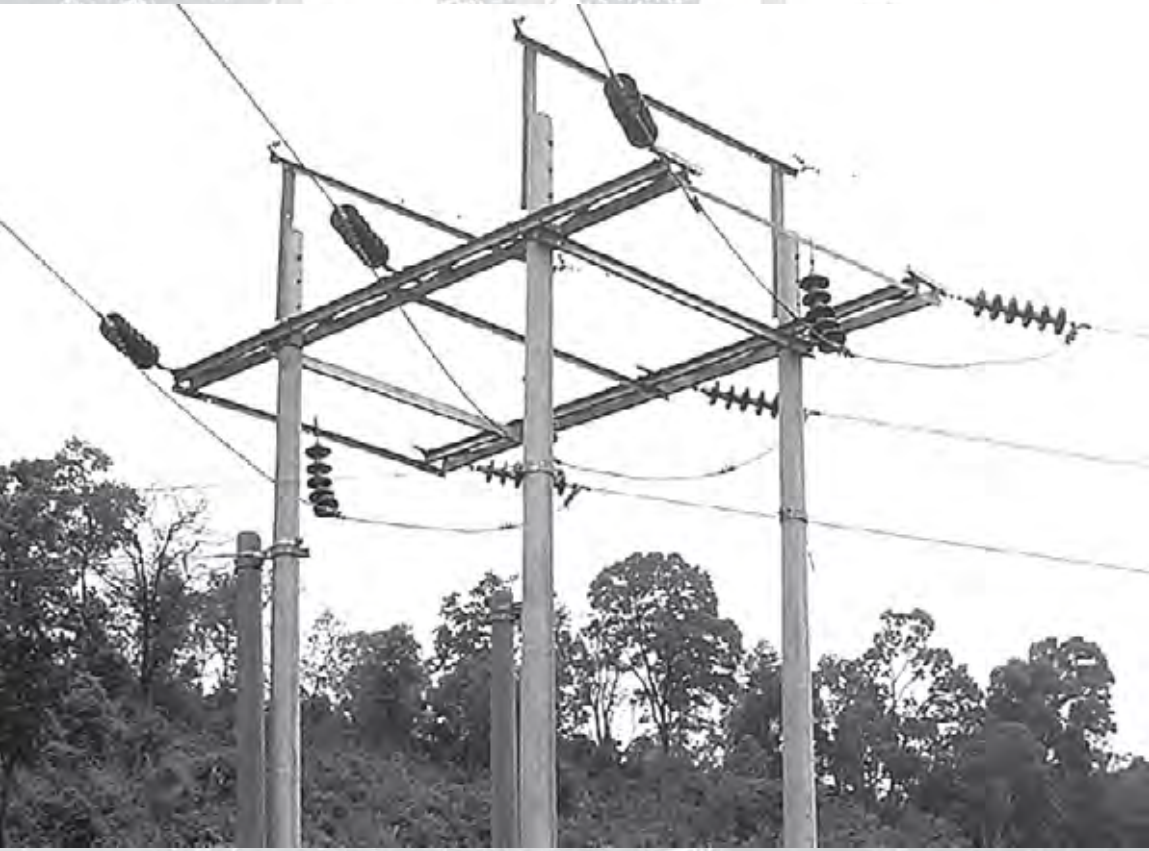
When the Chinese moved in, some wives of soldiers opened up shops selling liquor and a variety of snacks because the Chinese had money to spend. The teenagers in the village have taken to these items, causing concern among their parents. The Chinese workers have more money than the local people, so shop owners are able to increase their prices. Everyday items including farm tools and food have started to become unaffordable for local residents.

"The Shweli dam is very close to us, but we don't have electric power. The river is our river and the land is our land, but the electricity and benefit is not for us." (Interview 29)



"Soldiers came and took my vegetable fields and they built the power line across my village. My plantation was bulldozed. They agreed that they would pay me for my vegetable farm when they finished building the power line. I don't know how to follow up to get my compensation from the military soldiers." **(Interview 45)**

What's next?



The future for Man Tat

The Shweli 1 hydropower project is now more than 50% completed. Man Tat villagers have little hope of stopping the destruction already caused by the roads, the dam across the Shweli, and the tunnel now blasted through the hill beneath their village. They hope they can at least receive electricity at a reduced price and reasonable compensation for their lost paddy and tea farms. But it will be impossible to compensate for what Man Tat has lost.

The loss of lands, resources, and livelihoods that in turn impacts nutritional intake, health, and education opportunities, will impact families for generations. Those that are left jobless will move to new areas and this may cause conflicts over land or other resources. Joblessness and rising prices puts pressures on families that can lead to drug addiction. The presence of the military is a threat to women and no one knows how many more local girls will have to marry soldiers. Many fear that once the power station is completed, even more soldiers will come in to guard it. The increased sense of anxiety and fear as well as restriction on movement has already completely changed the nature of the village and this could get worse. These long-term costs are greater than any short-term gain from the project.

According to the Build-Operate-Transfer agreement, YUPD will operate the power station for 40 years and then hand over the project to the Burmese. By that time the dam structure may be weakened and the electricity generation may be getting lower. Dam breaks in Kachin State[7] show that the junta's enforcement of safety standards is unreliable. The possibility of dam breaks or other maintenance failures will further threaten affected peoples.

It is crucial to think of the long-term consequences of the dam project on the surrounding environment also. The health of the environment not only impacts the animals and plants but is directly linked to the health of the people and the sustainability of their livelihoods. This impacts the economy of the whole region. However, there has been no environmental impact assessment of this project.

What privilege will the local residents with damaged farms enjoy after the project is completed? Will they have access to the electricity? Will they have

[7] The Ching Hkrang dam broke in July 2006, killing five workers, flooding the village of Ching Hkrang and completely destroying the hydropower station and dam structure. The Washawng dam also burst in 2006.

to keep on using kerosene lamps? If they get access to the electricity, how much will they really get? How much more will they have to give for the electricity fee? These questions remain unanswered.

Plans of the junta and Chinese partners

More dams to come: Shweli 2 and 3
According to an article in the state-run newspaper the *New Light of Myanmar* in April 2007, "arrangements are being made to implement the Shweli 2 and Shweli 3 Hydropower Projects." These will be located in Moemake Township and involve the Yunnan Machinery Equipment Import & Export Company Limited (YMEC). The Shweli 2 power plant will be located 12.5 miles downstream of Shweli 1 and have an installed capacity of 460 megawatts. Shweli 3 will be 30 miles downstream of Shweli 2 and have an installed capacity of 360 megawatts.[8] Further details about the projects have not been publicly disclosed. However, since preparations are already underway for the projects, PYNG is gravely concerned that the same fate that has befallen Man Tat village will be repeated downstream.

Already, an estimated 30 Palaung, Kachin, and Shan villages have been ordered to send laborers to construct a new stone road from Namhsan to Moemake. In February 2007, 100 villagers from two villages alone were forced to pave the road for five days by the order of the Regional Military Commander, Northeastern Headquarters. One villager said that the regional command did provide funds for rice for the laborers, but the money "disappeared in the hands of the local authority" (Local Peace and Development Council). The local people did not receive any money for their work. One laborer broke his hip when he was flattened by a falling boulder. He has been getting treatment in Mandalay, and has already spent about 1 million kyat (US$800). The authorities haven't responded to the case or provided any help to the victim's family.

Although the Shweli 1 dam is a "run of the river" dam that diverts water instead of storing it in a big reservoir, it is unclear what type of dams might be built for the Shweli 2 and 3 projects. The area near the sites of 2 and 3 is flat and many villagers grow paddy, corn, and other vegetables along the river. These fertile agricultural lands may be inundated, leaving local villagers to face additional hardship.

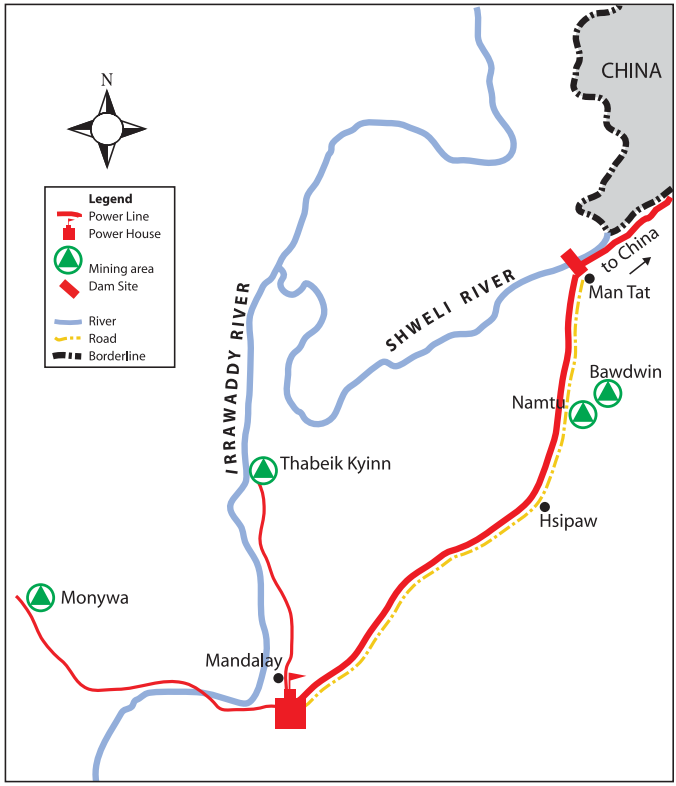
[8] http://www.mrtv3.net.mm/open2/060407build.html

Construction of transmission lines and forced labor

Several roads are being cleared, improved, and built in preparation for the installation of transmission pylons and lines from the Shweli 1 project. Forced labor has been used and farms have been destroyed in this process. PYNG has been able find out some detailed cases, described in the paragraphs below.

Beginning in December 2006, LIB 130 based in Mantong, led by Colonel Thin Mg Win, forced 30 Palaung villages to rebuild the road from Mantong to Namkham, which follows a planned transmission line route. Village chairmen in all large villages along the road have to ensure that each household sends one person to work on the road for one month. Over three hundred Palaung villagers have been forced to work on the road so far without the help of machinery, using only their own tools.

Electricity for China and military mining areas



"We are the people who struggle day by day; we do not have our own land. Now as we are bringing our own tools to repair the road, eat our own rice, and spend our time for this forced labor, we are in debt to our land owners." (PYNG research 2007)

In 2006 the military started to build the power lines from Namtu Township across Mansan village. Since February 2007, an estimated 27 villages have had to take responsibility for sending one laborer from each household to improve the road from Mantong to Namkham that will follow the power line route. Each village has to be responsible for a 5-mile stretch of the road.

On May 21, 2007, the northern Shan State Regional Commander from Lashio ordered LIB 130 to commandeer 15 trucks from Mantong to come to Lashio to carry electric wire and materials for building pylons. Fifteen truck owners, both Palaung and Burmese, had to provide their own petrol and travel to Lashio without payment. One said:

> *"Before we arrived, soldiers from LIB 324 took our trucks for two days to use in their camp to carry firewood without paying us anything. We lost five days of work and we had to pay for the petrol ourselves. Even though we didn't get any pay we were still threatened by the soldiers. Not only that, the highway from Lashio to Namtu is very dangerous in the rainy season and we were very frightened for our safety."* (PYNG research 2007)

Villagers receive orders at village meetings

Bigger plans: the significance of the Shweli project

Unfortunately the Shweli dam is not an isolated case or the last dam that will be built by the junta and foreign business partners. In addition to the Shweli 2 and 3 projects, Burma is planning at least 30 large hydroelectric projects across the country with investment from neighboring China, Thailand, India, and Bangladesh. The South Korean International Cooperation Agency (KOICA) is also investing in Burma's grid system. Harnessing the country's hydropower potential is a key initiative of the junta to bring in foreign investment and generate revenue. Some argue that the projects are also a means of moving into ethnic areas and expanding the military's control in these areas.

According to Ministry of Electric Power documents, electricity from the Shweli 1 project will be used in military factories and mining operations. These operations generate revenue for the junta with which they can purchase more weapons.

Instead of fostering meaningful development with the participation of affected people, the junta is implementing development projects that merely benefit its own interests at the expense of its citizens. The people of Man Tat were not informed of the Shweli project beforehand and have had no avenue to air their concerns in an atmosphere of fear. This development process is being repeated throughout Burma with the help of foreign investment.

YMEC website

Chinese welcome Burma's Minister of Electric Power

For China, the increasing need to supply its growing cities in the east is driving the Chinese central government's "West-to-East Power Transmission Policy." Dam building in western China and neighboring Burma fits into this policy. Building dams in Burma also complements China's growing interest to open foreign markets to Chinese investments and develop China's electricity grid to export power in the region as part of its "Going Out" policy. The China Southern Power Grid Company, which is involved in the Shweli dam project, is an aggressive implementer of both policies; for example, the company was involved in recent deals to export Chinese power to Vietnam. These deals are considered financially and politically important to China as they provide opportunities for Chinese businesses and boost China's importance to its neighboring countries.

The Shweli 1 hydropower project is a significant milestone in integrating Burma into China's "Going Out" policy. It is China's first hydropower Build-Operate-Transfer (BOT) operation in Burma; it allows the export of Chinese electrical and mechanical materials and lays the foundation for cooperation in the distribution of power across the Greater Mekong Subregion. In May 2007 an industry report card said that the project "signals a new phase for China Southern Power Grid Company in the development of the Mekong River region energy resources."[9]

China benefits from the Shweli project in three ways: first, according to the BOT, Chinese companies will get 80% of the revenue generated by the project regardless of where the electricity is transmitted. Second, the Chinese power grid and its consumers will get power without having to pay for any social or environmental problems left inside Burma. Finally, Chinese enterprises profit from selling equipment and expertise for the project.

Chinese investment in the hydropower sector in Burma is just one aspect of the closer economic and political relationship between the two nations. An energy industry magazine recently noted that "while western countries are staying out of Myanmar due to its poor human rights record, the Chinese government continues to pour money into it."[10] China is also planning to build oil and gas pipelines from western Burma that will traverse the country to southwest China.

[9] Yunnan Power Grid Co. Report Card as of May 1, 2007, yndw.com/showinfo.asp?id=42605
[10] "Myanmar's Push for Hydropower," *Energy Tribune*, February 23, 2007.

Conclusion and Recommendations

In the seven years since the arrival of soldiers to Man Tat and the beginning of the project, the people of Man Tat haven't had any means to protect their own property or participate in decision–making about what is happening in their village and to their surroundings. The military soldiers control the village and take what they want without agreement. Farms, forest products, and domestic livestock have been seized by the military. Now there is no easy access to forest produce as before and people are jobless. Formerly villagers sold their extra farm produce to the towns and now they have to buy rice at a high price.

The Shweli 1 hydropower project is nearly finished and the people of Man Tat village have had to bear unacceptable costs without any participation in the decision-making around the project. Given what has happened, PYNG calls on all parties to stop plans for the construction of the Shweli 2 and 3 dam projects so that people living downstream will not suffer the same ill effects that have befallen Man Tat. Already, roads that will facilitate equipment transfer to the Shweli 2 and 3 project sites are being built with forced labor.

Lessons can be learned from the Shweli 1 project, especially now that Burma's junta is planning to build more large dams across the country. Those that invest in dam projects with the junta should be aware of how these projects are implemented in Burma and not tarnish their own reputation. We therefore urge the Chinese government to encourage its companies to follow Chinese laws on environmental assessment, public participation, and proper compensation when they are doing business in Burma

After studying large dams worldwide, the World Commission on Dams recommended a series of criteria for building such projects (see Appendix). Due to the lack of rule of law in Burma and the junta's unyielding grip on the people, these criteria are impossible to implement. We therefore would like to alert international development agencies working in Burma to the plight of people affected by the numerous large dams being implemented throughout the country and encourage these agencies to provide support to genuine community-based initiatives that promote the rights of dam-affected peoples.

Due to the use of forced labor for dam projects and their associated infrastructure, and due to land confiscation for dam projects, we urge the International Labor Organization (ILO) to put more pressure on the junta to stop these violations of ILO conventions.

The Palaung Youth Network Group envisions a type of development that enhances our food supplies, our health, our education, the security of our families and communities, our environment and culture. Through community awareness and leadership, this type of holistic development can be realized. PYNG calls on Palaung people to learn about the impacts of mega-development projects, to work together to defend our communities, and to bring about genuine development that benefits instead of harms us.

Appendix 1:
World Commission on Dams Recommendations

The people of Man Tat village were not informed of the Shweli 1 Hydropower Project and certainly had no chance to participate in any decisions related to the project.

In 1998 the World Bank and World Conservation Union established the World Commission on Dams (WCD) to review the effectiveness of and establish criteria for building large dams. After two years the study found that "in too many cases an unacceptable and often unnecessary price has been paid to secure the benefits" of large dams.[11] The Commission therefore provided a new framework for decision–making on water and energy projects based on recognizing the rights of, and assessing the risks to, all stakeholders. Those who would be adversely affected should participate in the planning and decision–making process and have a share in project benefits.

The Commission's main recommendations include the following:

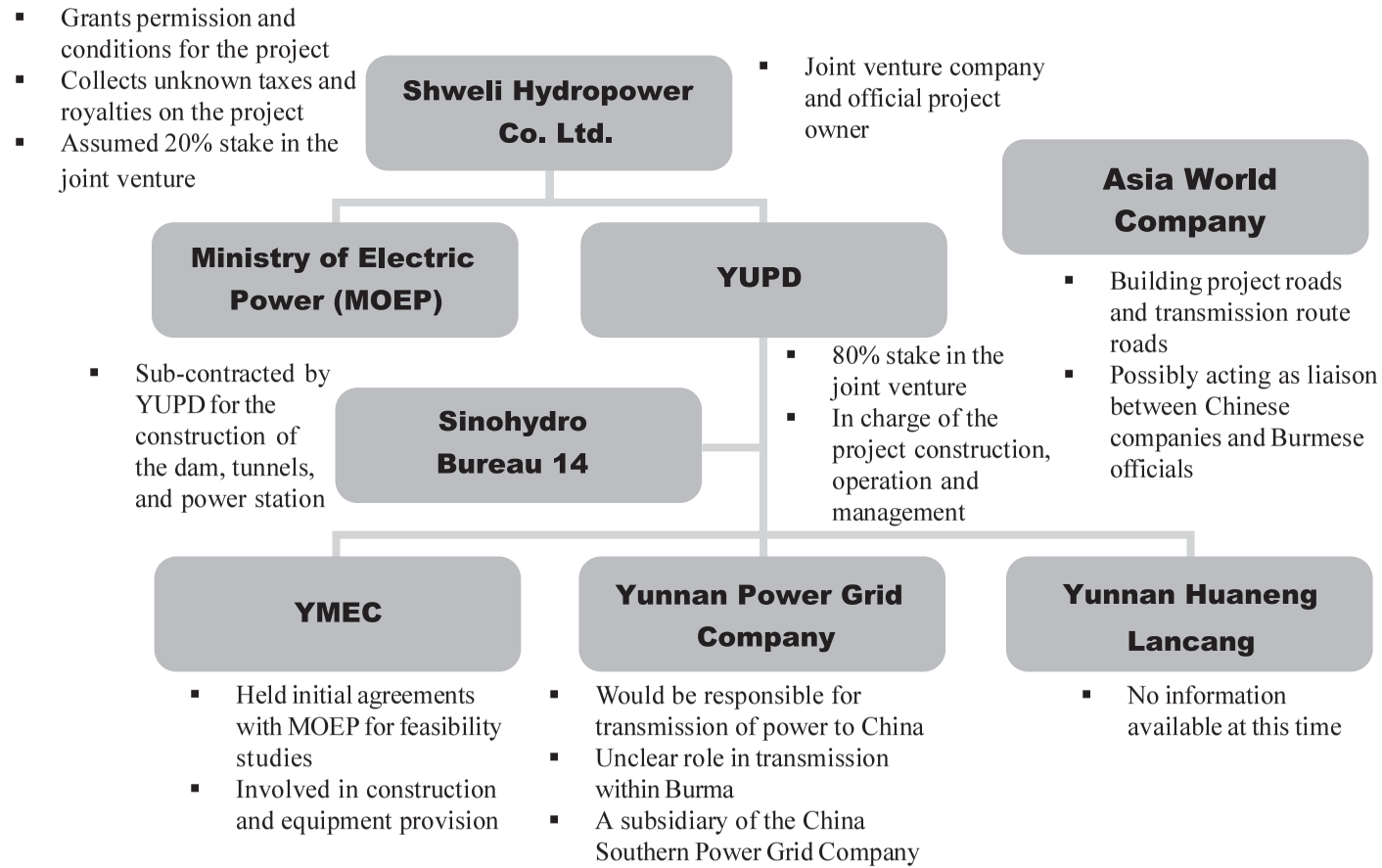
- No dam should be built without "demonstrable acceptance" of affected people, and without free, prior and informed consent of affected indigenous and tribal peoples.
- Comprehensive and participatory assessments of people's water and energy needs, and different options for meeting these needs, should be developed before proceeding with any project.
- Priority should be given to maximizing the efficiency of existing water and energy systems before building new projects.
- Mechanisms should be developed to provide reparations, or retroactive compensation, for those who are suffering from existing dams, and to restore damaged ecosystems.

[11] *Dams and Development - A new framework for decision-making*, The report of the World Commission on Dams, 2000.

Appendix 2:
Interview table

No.	Sex	Age	Occupation
1	M	32	Electric worker
2	F	28	Teacher
3	M	24	Businessman
4	F	21	Local villager
5	F	20	Local villager
6	M	22	Businessman
7	F	22	Local villager
8	F	23	Local villager
9	M	25	Local farmer
10	M	46	Local farmer
11	F	40	Local vendor
12	M	70	Local temple workers
13	M	65	Local villager
14	F	40	Tea farmer
15	F	12	Ex-student
16	M	27	Local villager
17	M	25	Local villager
18	M	23	Villager
19	F	40	Tea farmer
20	M	35	School headmaster
21	M	50	Local farmer
22	F	26	Local businesswoman
23	F	28	Vendor
24	M	27	Electric worker
25	M	28	Electric worker
26	M	25	Electric worker
27	F	25	Electric worker
28	M	24	Electric worker
29	M	40	Tea farmer
30	F	41	Local businesswoman
31	F	45	Local farmer
32	F	40	Local farmer
33	M	25	School teacher
34	F	43	Local farmer
35	F	30	Health worker
36	M	38	Local fisherman
37	M	27	Local fisherman
38	F	26	Local businesswoman
39	M	70	Elder farmer
40	M	47	Rice farmer
41	F	24	Local villager
42	F	26	School teacher
43	F	26	Local villager
44	M	60	Elder hunter
45	M	42	Vegetable gardener
46	M	58	Tea farmer
47	M	56	Hunter
48	M	48	Electric worker
49	F	35	Shopkeeper
50	M	56	Local worker
51	F	25	Local villager

Diagram: project partners



Appendix 3: Project partners

Ruili (Shweli) River I Power Station Co. Ltd.
A joint venture company formed between the Yunnan Joint Power Development Company and the Ministry of Electric Power (see below). This joint venture company is the official project owner and is responsible for running the Shweli 1 power station for the duration of a 40-year contract, after which operations will be transferred to Burma's state.

Ministry of Electric Power (MOEP)
The Ministry of Electric Power has two ministries: MOEP 1 is responsible for generating power and MOEP 2 is responsible for distributing power. The ministry has been busy securing Memoranda of Understanding with several neighboring governments and companies in recent years to develop the country's hydropower potential for export.[12] It is assumed that MOEP 1 controls a 20% stake in the joint venture company that will operate the Shweli1 project.

Yunnan Joint Power Development Company (YUPD)
In December 2006 YUPD signed China's first Build-Operate-Transfer (BOT) agreement with Burma's Ministry of Electric Power No. 1 under the joint venture company Ruili (Shweli) River I Power Station Co. Ltd. (see above). YUPD owns 80% of the joint venture and it will be fully in charge of the project construction, operation and management.[13] The project is the company's first hydropower project outside mainland China.

YUPD is made up of three companies: **Yunnan Huaneng Lancang River Hydropower Co**., **Yunnan Power Grid Co.**, and **YMEC** (see below).

Yunnan Machinery Equipment Import & Export Co. Ltd. (YMEC)
YMEC is one of the top 100 machinery and electrical products export enterprises of China. The company's total accumulated trade volume has

[12] "Hydropower plays a leading role in Myanmar's power development plans," International Journal of Hydropower and Dams, Issue Two, 2005.
[13] "China's 1st Hydro BOT Project in Burma Revs Up," *Xinhua Net*, Dec 30, 2006.
[14] http://www.ymec.com.cn/en/about.htm

exceeded 700 million US dollars. YMEC has built 24 hydropower stations in Myanmar, Vietnam, and the USA.[14]
The Ministry of Electric Power signed an agreement in 2002 with YMEC to present a feasibility report, to draw up a detailed plan design and tender criteria[15] and technical staff from YMEC carried out surveys from March-July 2002. In August 2003 YMEC signed a "turnkey" contract totaling $US150 million with the regime for the construction of concrete dam structure, conveying tunnel and equipment installation.

The Yunnan Power Grid Company
The Yunnan Power Grid Company, a joint member of the YUPD, is one of the five provincial companies that make up China Southern Power Grid Company. CSG is responsible for the investment, construction and management of southern China's power grid and the relevant transmission and distribution of power. It is a state company and currently ranks 266 in the Fortune 500 Global List. CSG is also the executor of the Greater Mekong Sub-region power cooperation appointed by the State Council, and has been actively pushing the process of Greater Mekong Sub-region power cooperation.[16] Presumably, CSG, through the Yunnan Power Grid Company, would be responsible for transmitting power from the Shweli project to China and for any further transmission within China or regional export.

Sinohydro Bureau 14
Sinohydro is the largest and most powerful hydraulics and hydroelectricity construction enterprise in China. The company has undertaken projects in over fifty countries in the world. Sinohydro's Bureau 14 is a member corporation; it has construction projects in several countries including Albania, Congo, Belize and Malaysia. Four hydropower stations in Burma have been completed or are under construction by Bureau 14.

According to the company's website, Sinohydro Bureau 14 is undertaking the task of constructing the power station at the Shweli 1 site for YUPD and also has had contracts to construct two diversion tunnels and the dam itself. In

[15] *The Shwe Li hydroelectric project text published on February 22, 2004 by the Ministry of Electric Power, Hydroelectric Department, Government of the Union of Myanmar.*
[16] Information from http://finance.mapsofworld.com/company/c/china-southern-power-grid.html and www.csg.cn

December 2006 the company celebrated "successfully damming" the Shweli River (see photo); it will continue with construction of the power station.

Asia World Company
Asia World Co., Ltd is one of the largest conglomerates in Burma, engaging in a broad range of business activities. It was founded by the infamous opium drug lord Lo Hsing Han in 1992. Asia World is involved in government businesses such as construction contracting and the supply of material and equipment.[16] The company often acts as a liaison with the junta on project contracting, logistics and infrastructure investment. Lo Hsing Han's son Tun Myint Naing, aka Steven Law, is the managing director of Asia World. Steven Law was refused a visa to the USA on suspicion of involvement in narcotics trafficking in 1996.

Asia World built the project access road from Manwing village to the power station and access roads between the military base and the project site. Asia World is also repairing the road from Namkham to Namtu that will be used for transmission lines.

Sichuan Machinery and Equipment Import and Export Corporation (SCMEC)
Contracts totaling US$34.7 million were signed on October 9, 2003 between SCMEC and the Myanmar Electric Power Enterprise for delivery of equipment and machinery needed for the power station and transmission cable line.

Kunming Hydroelectric Investigation, Design and Research Institute (CHECC)
This company is mentioned as involved in the "planning" of the project.

[16] Asia World Company is one of the main companies contracted by the government to build facilities in and around the new capital Pyinmana (Neypyidaw).

Published in 2007

About PYNG

The Palaung (Ta'ang) Youth Network Group (PYNG) was formed in 1998 as an organization to develop the social status of the whole Palaung nationality through peace, justice, and equality. PYNG works to organize young people to improve their knowledge, develop their communities, and promote a peaceful society. In addition, PYNG collects news and information to inform the international community what is happening in the Palaung region. This report was specifically written by members of PYNG's environmental department, or the Ta'ang Environmental Action Team. The TEA-Team raises awareness among the Palaung people about environmental issues and advocates for the protection of the natural resources of the Palaung people.

About this report

PYNG conducted research for this report from 2003-2007. Documents obtained by PYNG from the Myanmar Ministry of Electric Power detailed project specifications and plans. Information from official Chinese company sources and Chinese news services provided further information. Photos by Burmese and Chinese project partners confirmed project plans and status.

PYNG would like to acknowledge all participants and organizations involved in this report for their assistance and encouragement. A very big thank you to the Palaung people, who despite all the risks gave valuable help. We would like to show our appreciation to PYNG staff and Palaung State Liberation Front and Palaung Women's Organization advisors for their time and guidance.

All photos in this report are from PYNG unless otherwise noted. The authors request that photos not be copied and distributed without first contacting PYNG.

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Oh! Shweli River!

You're flowing to Ta'ang land
You make us love each other
Don't stop running
We will be together forever

You're flowing to Ta'ang land
Don't make the Ta'ang people disappear
You give peace to us
We will be together forever