



Environment Earth insight

The dirty fossil fuel secret behind Burma's democratic fairytale

South-east Asian country's untapped natural wealth is being opened up, regardless of the environmental and human costs



Burma has waged 'a campaign of ethnic cleansing' against Rohingya Muslims, according to Human Rights Watch. Photograph: HRW/AFP/Getty Images Human Rights Watch/AFP/Getty Images

Nafeez Ahmed

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New evidence has emerged that the systematic violence against ethnic Rohingya in Burma - "[described as genocidal by some experts](#)" - is being actively supported by state agencies. But the violence's links to the country's ambitions to rapidly expand fossil fuel production, at massive cost to local populations and to the environment, have been largely overlooked.

Over 125,000 ethnic Rohingya have been forcibly displaced since waves of violence swept across Burma's Arakan state last year, continuing until now, according to the New York-based [Human Rights Watch's \(HRW\) latest sobering report](#). The "ethnic cleansing" campaign against Arakan's Muslim minority, although instigated largely by Buddhist monks rallying local mobs, has been the product of "extensive state involvement and planning", according to HRW's UK director [David Mephram](#).

The [group found](#):

"All of the state security forces [in Arakan] are implicated in failing to prevent atrocities or directly participating in them, including local police, Lon Thein riot police, the inter-agency border control force called Nasaka, and the army and navy."

Burma's [Rohingya minority](#) has resided in the country for decades, but been formally denied citizenship by the government, subjected instead to forced labour, arbitrary land confiscations, and routine discrimination. Although the latest violence raises urgent questions about the integrity of Burma's ostensible democratic reform process, the west has refused to allow the campaign against the Rohingyas to interfere with efforts to integrate the regime into global markets.

The last two years has seen [first the US](#), then the UK and the EU, lift decades of economic sanctions with a view to "[open a new chapter](#)" in relations with Burma.

Nestled strategically between India and China, Burma is rich in fossil fuels and other mineral resources, including oil, gas, gold, timber and jade. In recent months, even as genocidal violence has escalated, the country has been [courted](#) by world leaders, such as President Barack Obama, British foreign secretary William Hague, and European Commission president José Manuel Barroso.

As [Forbes reports](#) , thanks to Burma's "vast, untapped reserves of oil and natural gas" - estimated at between 11 trillion and 23 trillion cubic feet - "and with sanctions over and a world thirsty for new sources of energy, Western multinationals are eager to sign deals."

But foreign companies must partner with local companies to be able to bid. This condition has spurred Myanmar's [crony capitalist elite](#) of fewer than 20 families - many of whom built their business empires on the back of state favours from the former military junta - to rebrand themselves as honest brokers for western investors looking for their next regional venture.

Attempting to consolidate their privileged position in a highly unequal but resource-rich economy, Burma's business families are making renewed efforts to capitalise on the resource rush, highlighting their philanthropic activities, and forging new ties with Burmese opposition leader Aung San Suu Kyi.

Foreign investment is currently dominated by Chinese, Thai and Indian firms, who operated relatively unfazed by western sanctions, but American, British and French multinationals such as Chevron, BP, Shell, and Total are jockeying to make up for lost time.

Yet the scramble to open up [Burma](#) for business has played a direct role in inflaming community tensions. One of the most prominent culprits is the Shwe Gas Project led by South Korean and Indian companies, to export natural gas via pipeline from Arakan state to China's Yunnan province. The 2,800km overland pipeline is slated to become operational this year.

The project plans to produce 500 million cubic feet (mcf) of gas per day for 30 years, supplying 400 mcf to China, and the remaining 100 mcf to [factories owned by the Burmese government, military and associated business elites](#).

The losers from this venture are the Burmese people and environment. An extensive report by the [Shwe Gas Movement](#) (SGM), a Burmese community-based human rights network, documented the destruction of local fishing and farming industries, including confiscation of thousands of acres of land to "clear areas for the pipeline and associated infrastructure", from 2010 to 2011. Tens of thousands have been left jobless, with little or no compensation or employment opportunities.

The pipeline also cuts through the Arakan Yoma forest ecosystems of the Western Mountain Range, part of the Eastern Hindu Kush-Himalayan region, contributing to soil erosion and endangering species. One third of coral reefs north of Kyauk Phyu town have already been seriously damaged, undermining fish and marine life, and local fishing. Freshwater rivers and waterways have been dredged for sand and gravel for construction purposes, and are set to become dumping grounds for toxic materials.

In December 2011, the pipeline project [sparked widespread anger](#) across Arakan's cities and rural areas, as local people demanded provision of 24 hour electricity. Ranked the second most impoverished state of Burma by the UN Development Programme, approximately 3 million people living in Arakan have no access to public electricity, with just a few major cities able to access only five to six hours of electricity per day, provided by private companies at extortionate prices of 400-600 Kyat per unit (compared to 25 Kyat per unit in Rangoon). Overall, Burma is by far [the poorest country in Southeast Asia](#), with a third of the population living in poverty.

The eruption of ethnic violence across Arakan against ethnic Rohingyas six months later in 2012 was therefore most likely triggered by the simmering tensions wrought by escalating economic marginalisation. On the one hand, Arakan's deepening economic crisis, fuelled by the state-backed pipeline project, laid the groundwork for an increase in xenophobia and racism toward the Rohingya. On the other, Burmese state agencies appear to have deliberately fostered the ethnic cleansing campaign to divert populist anger away from the devastating impact of the pipeline project, and instead toward the most easy and vulnerable target to hand.

Even as violence against the Rohingya escalates, conflict has also broken out along the pipeline route between Burmese security forces and local armed resistance groups linked to the [Kachin state](#), where people have faced arbitrary arrest, torture, forced labour, rape and sexual violence at the hands of the Burma Army.

The plight of these different groups underscores that the fairytale of Burma's rosy democratic transition is exactly that - [a fairytale](#).

But lured by the promise of windfall profits, it is a fairytale convenient for competing global powers eager to capitalise on the country's untapped natural wealth, regardless of the environmental and human costs.

● This is [Dr. Nafeez Ahmed](#)'s first post on his new blog, Earth Insight, hosted by The Guardian. Nafeez is Executive Director of the [Institute for Policy Research & Development](#), and writer/presenter of the film [The Crisis of Civilization](#), based on his latest book, [A User's Guide to the Crisis of Civilization: And How to Save It](#). You can follow him on Twitter: [@nafeezahmed](#)

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