

# DISPATCHES

## MILITARY CUT

Myanmar farmer  
Thein Aung must  
give one-fifth of his  
crop to the army.



# In Harm's Way

A proposed **pipeline in Myanmar** has farmers worried about their land—and human rights activists up in arms. **BY DANIEL PEPPER**

**T**HEIN AUNG, a 50-year-old rice farmer with stubby toes and calloused hands, pauses from his work in the sweltering September heat. He is racing to finish harvesting one crop so that he can plant a second. If he doesn't, or if he refuses to hand over 20% of his output from both crops to local military authorities, he will be arrested. "The country," Their says, "is getting worse day by day."

The country is Myanmar, also known as Burma, and its military government regularly confiscates land, uses forced labor, and levies exorbitant taxes, according to farmers interviewed along the crumbling one-lane asphalt road that connects the towns on the Kaladan River in western Myanmar to India's eastern border. Their testimonies are backed up by human rights groups like Amnesty International, which calls such treatment routine, along with the torture of political opponents and extrajudicial killings. The U.S. and the EU have had economic and political sanctions against the regime for a decade, and this fall the UN Security Council took up the issue of applying them more broadly.

The U.S. sanctions were triggered in part by what human rights groups consider one of the great outrages of developing Asia—the 1993 construction of a Unocal pipeline from the offshore Yadana gas field through a thin stretch of southern Myanmar into Thailand. Villages along the route were depopulated by soldiers who dragooned inhabitants to work on the pipeline, and raped and killed along the way.

Now concerns are building that it could happen again, here in Arakan state along the Bay of Bengal. The Indian government is proposing the construction of a pipeline running from the Shwe gas fields 20 miles off Myanmar's coast overland to India. Construction hasn't begun yet, but feasibility studies are complete, and experts say gas could begin pumping by 2009. The field—"shwe" means "gold" in Burmese—con-

tains as much as 8.6 trillion cubic feet of gas, making it among the largest in Southeast Asia. "The military's propensity for violence and systematic injustice has not changed," says Matthew Smith, a project coordinator at EarthRights International, a U.S. nonprofit group that sued Unocal over the Yadana pipeline. "And barring a radical and unexpected political change in Myanmar, such violence will continue to be reflected in the Shwe project."

An added complication is the fight that's brewing between India and China over who gets the gas. The field is being developed by South Korea's Daewoo International, a spinoff from the now-defunct Daewoo conglomerate, which has a 60% stake in the operation. India's ONGC Videsh, a subsidiary of state-owned Oil & Natural Gas Corp., owns

20%. The two remaining 10% stakes belong to the Gas Authority of India and Korean Gas. India and South Korea, along with China and Thailand, have made bids for the gas, and Myanmar's government has signed memorandums with both India and China for as yet unspecified amounts.

The regime claims there is enough gas to go around, but India, because of its proximity, is clearly expecting the lion's share, especially after discussions between India, Myanmar, and Bangladesh to build a shorter pipeline through Bangladesh collapsed last year when India said terms set by Bangladesh were unacceptable.

"As far as we're concerned, we will implement the pipeline inside India," says Rajiv Mathur, who oversees sourcing at Gas Authority of India.

Gas Authority's current proposal calls for a much longer 900-mile pipeline to skirt Bangladesh, cut through the state of Assam, and connect to an existing pipeline network in Bihar, one of India's poorest states. That would help India provide energy to underserved markets in eastern India, Mathur says. But the \$2.2 billion pipeline would cross through India's restive eastern states, where low-level insurgencies keep the military actively engaged.

The consortium would construct the Myanmar portion of the pipeline, which would be less than 200 miles long, most likely on land cleared by the regime. As for possible human rights abuses along the way, "what they do there is their business," says Mathur. "We hope they proceed by international laws, ethics, and norms."

Based on figures from previous pipeline deals, Myanmar's military regime stands to make as much as \$17 billion from the gas fields, by far its largest energy windfall to date. David Mathieson, a researcher at

**"THE MILITARY'S PROPENSITY FOR VIOLENCE AND SYSTEMATIC INJUSTICE HAS NOT CHANGED," SAYS ONE ACTIVIST.**

## A Passage to India

The proposed 900-mile pipeline will connect Myanmar's offshore Shwe gas field with India by going around Bangladesh. China is also interested in the gas.



EM/INFORMPHICS

## DISPATCHES MYANMAR



**IN ARAKAN** Fisherman Thein Maung says he's forced to sell shrimp below market prices.

Human Rights Watch, a U.S. watchdog group, says that any gas deals would help “finance repression in Burma.” Mathieson argues that in addition to abuses

that may take place along the route of the future pipeline, profits accruing to the military regime will help it solidify its hold on power. “Where do you think

that the money is going to go?” he says. “It’s not going to education or health programs—it’s going to the military to build a better command-and-control center to repress the population.”

For human rights activists like Mathieson, the Unocal case looms large. EarthRights International sued Unocal in California on behalf of Myanmar villagers, using a 1789 U.S. tort law allowing noncitizens to sue for civil damages in U.S. courts. A California superior court judge agreed to let the case go to trial, but in March 2005, after eight years of litigation, Unocal settled for an undisclosed amount. Its stake in the pipeline—grandfathered under U.S. sanctions—is now owned by Chevron, which bought Unocal last year.

Myanmar spends at least 40% of its budget on the military and little on health and education. It claims astounding GDP growth rates of 12%, but Sean Turnell, head of Burma Economic Watch at Macquarie University in Sydney, says the real

figure is between 1.5% and 4%—and that, he cautions, is “solely a consequence of the high prices Burma can now command for its exports of natural gas.” Myanmar’s growing energy sector accounts for about a quarter of the country’s official GDP, while opium production makes up the largest portion of the informal economy.

Myanmar is tied with Turkmenistan for the No. 2 spot in Transparency International’s ranking of the world’s most corrupt countries. While no one is making accusations of dirty dealing, the same organization ranks India and China as the two countries most likely to pay bribes to clinch overseas contracts. India has recently offered increased arms sales to the regime, including costly surveillance aircraft, tanks, helicopters, and mortars. Daewoo has also been supplying military hardware and is now under investigation in South Korea for doing so illegally. Chinese aid to Myanmar was officially reported to be \$100 million in 2005, but unofficial estimates are



**PIPELINE'S PATH** The project will mean more military presence along the Kaladan River.

in the billions over the past decade. “The formal deals alone are controversial,” says Smith of EarthRights International. “These deals will have severe social and

environmental consequences for thousands of innocent people, both in Burma and in India’s northeast.” **F**

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