



## Burma Exposes Fault Lines in China's Dam-building Juggernaut

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**BANGKOK, Oct 7 (IPS) - When Burma's new president, Thein Sein, took the unusual step of opposing the construction of one of China's largest investment projects in the country – a mega dam – he did more than acknowledge the concerns of local communities and environmental activists.**

He succeeded in shedding light on the questionable business practices of China's global dam-building juggernaut.

"Many dams built by China overseas are done without reference to international environmental and social standards," says Grace Mang, the China global programme coordinator for International Rivers, a U.S.-based environmental lobby. "Information and data is also difficult to obtain given the lack of transparency."

It is a concern that has grown as China has encouraged its state-backed companies to tap rivers in many [developing countries](#) for dam opportunities.

"We are seeing more (Chinese) energy companies and engineering firms look to overseas markets to maintain their profitability," Mang said in an interview with IPS. "Chinese companies also benefit under China's 'going out' policy – under which the Chinese government is actively promoting and forcing their enterprises to look overseas for business."

Consequently, China's international investment portfolio is brimming with 251 dams being built in 68 countries, ensuring that the country's place as the [world's leader](#) in dam building has been cemented. "The scale of dam building is also unprecedented," says Mang of China's dam investments, nearly 90 percent of which are in developing countries like Sudan, Ethiopia, Cambodia and Burma. "China has lent more money for dam building than the World Bank."

But one of China's largest investments in Burma – a mega dam on the Irrawaddy River – has exposed the Asian giant to the perils of taking for granted an ally with a long history of political oppression.

This lesson from a country that has been under military rule for nearly 50 years came in the wake of the unprecedented message delivered by President Thein Sein to parliament on Sept. 30. The head of the quasi-civilian government wanted the construction of the Myitsone Dam to be stopped because "it was contrary to the will of the people."

The 3.6 billion dollar dam being built by China Power Investment (CPI) on the Irrawaddy River in northern Burma was to have generated 6,000 megawatts of power, most of which were to be transmitted to China to meet its energy needs. The reservoir was to engulf 766 square kilometres of forest land, an area the size of Singapore, and displace 12,000 people from the ethnic Kachin minority.

"The decision to halt the Myitsone dam will be quite shocking to the Chinese," says Sean Turnell, an Australian academic who publishes [Burma Economic Watch](#), a regular online review of the Southeast Asian nation's economic trends. "They have grown used to a compliant Burma."

Many Chinese investments in Burma, or Myanmar, do not improve the infrastructure "beyond that created for the very narrow purpose of serving China's interest," Turnell told IPS. "All the roads, bridges, rail lines and the like are built to make more efficient the extraction of resources in Burma for Chinese buyers."

"It's a wake-up call to the Chinese that it's in their interest to do business differently in Myanmar," adds Thant Myint-U, a Burmese historian and author of a new book, 'Where China Meets India – Burma and the New Crossroads of Asia'. "To be fair, Chinese companies have not acted very differently from how companies from many [other companies](#) operate (in the country)."

"The principle problem is on the Myanmar side and the lack of enforced regulations to protect the environment and the interests of local people," he said in an interview.

Such an environment has seen Chinese investments in Burma reach new heights last year, hitting 8.17 billion dollars, mostly in the hydropower, oil and gas sectors. This amount boosted to 12.32 billion dollars the Chinese investments in the country, out of Burma's total of 20 billion dollars since 1988.

Six other mega dams, also planned by the Chinese state-backed dam builder CPI, are part of that investment portfolio. They will be supplying power to China as would two other energy sources – [gas and oil](#). An estimated 12 million cubic meters of Burmese natural gas and 22 million tones of oil from the Middle East will be carried annually through two 2,800 kilometre-long pipelines being built spanning the country.

Burma's increasing dependence on China has grown in the past two decades, as Western countries, led by the United States and the European Union, targeted the Burmese military regimes that preceded the six-month-old Thein Sein administration.

The regimes were hit with economic sanctions and regular censure at international forums for their notorious human rights record.

Yet the reaction among Burmese to China's economic steamroller is similar to the anti-Chinese outrage that has burst to the surface in parts of Africa, where Beijing-backed companies have bulldozed their way using a business model that places greater emphasis on signing deals with governments than paying attention to affected communities.

"Burmese resentment against China is extremely high now, and they regard China as a coloniser and opportunist (exploiting) Burma's natural resources," says Aung Din, the executive director of the U.S. Campaign for Burma, a Washington D.C.-based lobby. "Nobody in Burma likes the expansion of the Chinese empire inside Burma, forcing Burmese to move away from their land, losing their inheritance and properties."

Such rage against China cuts across all its investments. The Myitsone Dam emerged as a flashpoint no sooner a 2006-deal was signed, even resulting in attacks against Chinese staff working at the dam site.

"The Chinese didn't want to hear about the social and environmental cost of this dam," says Naw Din Lahpai, editor of a [news outlet](#) covering events of the Kachin, the ethnic minority living in the area where the dam is being built. "They thought an agreement with the authorities only mattered." (END/2011)

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