

CHAPTER IV

THE INCREASING OF CONFLICT ESCALATION AS THE INFLUENCE OF THE CONSTRUCTION OF SHWE PIPELINE TOWARD CONFLICT OF ROHINGYA IN MYANMAR

Based on the data that founded, The Construction of Shwe Pipeline effect on the escalation of conflict of ethnic Rohingya. It was caused by structural distortions. This is evidenced by the widespread scale of the conflict. Conflict occurs not only against the Muslim Rohingya but also the local people that stayed in Arakan, including Buddhist. Previously, the construction of the oil and natural gas Shwe pipeline is a project between Myanmar and China that built in the Arakan, Rakhine which is the region of Rohingya. Ethnic of Rohingya are known consist of several beliefs. Including Islam and Buddhism. Before the establishment of pipelines, these two ethnic groups often experience conflict due to various reasons of trust. Until the establishment of the pipeline, the conflict has been increasing.

The construction of the Shwe pipeline previously thought to be of great benefit to Myanmar was not in agreement with estimates. In fact, it carries enormous losses especially for ethnic of Rohingya that stayed in Arakan, Rakhine. It increases the escalation of conflict into a larger scale. Here are some distortions driving the escalation of the Rohingya conflict:

A. Trade Sector Distortion

The penetration process that has been going on for a long time until now has created a pattern of activities characterized by an enlarged portion of foreign trade and economic areas in Myanmar countries that mainly produces export good, resulting in trade distortions. Foreign trade is becoming increasingly important for the economy of Myanmar. This is evident from the construction of the Shwe pipeline requires a variety of industrial materials as well as modern technology.

In recent years, cooperation between China and Myanmar in the fields of economics and trade developed rapidly and achieved new progress in 2007. China's Economic and Trade Consular for Myanmar, Tang Hai told reporters the Xinhua News Agency, from January to September in this year 2014, China's-Myanmar bilateral trade volume rose 1.435 billion US dollars, up 37.7%. In waves, the volume of China's export to Myanmar was recorded at US\$ 1.216, an increase of 45.8% compared to the same period last year. The volume of China's imports from Myanmar was recorded at 220 million US dollars, an increase of 5.2%. the goods exported to Myanmar were mainly finished products after processing, including textiles, steel, and oil. Goods imported from Myanmar are primary materials, wood, natural rubber and pulp (Rhinii, 2014).

As a result of this dependence, their main market remains in foreign markets because their needs are only available from developed countries, especially to China which has advanced in terms of industry. Whereas, the domestic mass market can only be created if the country has a fairly even distribution of income.

B. Internal Economic Distortion

These patterns of penetration, dependence, and trade affect various economic conditions in the country. These patterns support and are supported by, a type of economic growth that contains serious internal structural distortions. One of which is in the economy also develops a pattern of reward that is very different from one sector to another. Especially the difference in labor wages is very striking. Here are some forms of internal economic distortions that happened in Myanmar:

1. The imbalance of income distribution

As a result of the import of modern technology from the donor country, indirectly bringing a new culture to the economic field, this encourages local entrepreneurs to produce more luxury consumer goods that require imported technology. the market for elite consumer goods is indeed

narrow because elite groups are few in number, but they have high purchasing power. That's why local industrialists are very interested in enlarging the elite market and are not interested in expanding the mass market. consequently, the interests of the industrialist and merchant class support an unequal income distribution, which benefits the elite class. They are less interested in income distribution efforts, which can actually expand the mass market for basic necessities, mass transportation and doctors of health centers, not beefsteak, private cars, etc. (Mas'oe'd, 1990).

This is what is being felt by the Rohingya, Mon, and Karen ethnic groups. Schools, hospitals, and roads are in poor condition and there are no supporting facilities and the numbers are still small, especially in remote areas. this is what triggers a wider conflict in the area. While the government and the other elite groups have not improved this case. Due to they are focused on the country's elite market.

2. The imbalance of energy resources distribution

As is known, the construction of the pipeline in Arakan, the Rakhine region requires enormous energy, as well as capital for the smoothness of the project. Based on the Forbes report, Arakan keeps abundant natural resources reserve especially oil and natural gas around 11 trillion and 23 trillion cubic feet. The Shwe natural gas and oil project in Rakhine has a daily natural gas production capacity of 500 million cubic feet and 80 percent of it will be exported to China for 30 years, this resulted in nearly all Myanmar owned gas has been exported to generate electricity in China, resulting in 75% of Myanmar's population not receiving electricity at all. This is inversely proportional to the lives of the people of Myanmar, especially in the region of Arakan, Rakhine.

The real case we can see, the capital city of Rangoon can only feel electricity within 10 hours only in each day. In addition, 60% of Myanmar's rural population suffers from electricity shortages and uses generator power that can only light up for 3 hours in their daily life. Although Arakan, Rakhine province is a region rich in natural resources which is

oil and gas. Rakhine ethnic as local residents in Arakan receives little development projects in their area. Most residents of Arakan only receive about 3 hours of electricity each day. Much of Arakan territory has not been touched by electricity. Recorded in 2009, electricity consumption of a population of approximately three million people is only using 30 MW or 18% of the total capacity of the country electricity consumption. In the other side, in December 2009, the military government added 3 hydroelectric units in Saidin, Thahtay, Chaung and Laymromyit at a cost of more than US\$ 800 million, precisely the city of Ann from Kyaukpyu district in the region of Rakhine under construction of a hydropower project initiated by The Power Department at Ann Creek is 3.5 miles northeast of Ann. The condition of Myanmar's energy deficient society is in contrast to Myanmar's abundant resource capacity especially in the oil and gas producing sector. Unfortunately, Shwe's gas field is not connected to the national grid (Alfi, 2013). Inequality in the energy source distribution encourages new conflicts in Myanmar society, as same groups or classes perceive other groups or classes gain an increasingly large share while they themselves gain little or even a decline.

3. Pressing Laborer's Salaries

Other problems related to inadequate labor costs also arise during the pipeline construction process. The local community considers that the developers have failed to provide adequate compensation, such as salary problems for the local Arakan people. Salaries of workers employed for the construction of this project are paid only about a third if the nominal value stated in their contracts. In addition, residents also demanded compensation for land acquired for the construction of this gas pipeline project which was ever compensated by the developer, CNPC, and MOGE. The labor salary emphasis is due to the imbalance in the economic sector. While the military regime of Myanmar receives more than US\$ 800 million every month from the construction of oil and gas pipeline. Income earned through this energy cooperation never touches the people and the people are not getting the impact of

development as well as adequate compensation. In this case, the government of Myanmar is directly dominated by foreign investors from China. Thus the government prioritizes policies that support their interests, that is to stabilize and minimize costs for the company's activities by reducing the salaries of workers.

As a form of Protest from Arakan Citizens. On October 28, 2009, a group of protesters from Myanmar consisting of the Arakan Alliance of Arakan Youth and Students, Arakan Oil Watch, Shwe Bangladesh Movement and Shwe India Gas Movement voiced strong opposition to the gas pipeline project from Shwe China. The group of activists sent an open letter addressed to the China Communist Party led by Hu Jintao through 12 China embassies around the world. The letter contains the impact of losses felt by the Rakhine community if the gas pipeline project continues.

In order to anticipate the rejection of Myanmar society associated with the construction of the gas pipeline, China seeks in two different strategies consisting of developmental strategy and strategy of violence. Both of these strategies are deliberately attempted by China to maximize the security of this energy supply in Arakan, where China makes every effort to reduce the form of rejection or protest from local residents in a subtle or coercive manner. China undertook development program in areas along oil and gas pipelines. The Special Economic Zone (SEZ) development program is aimed at improving the condition of Myanmar's infrastructure especially in Arakan that can help local people to grow and develop in terms of economic improvement. It is through this policy that China implements a developmental strategy in safeguarding its energy supply.

The next strategy undertaken by China in order to secure its energy supply is pursued through a violent strategy. In the construction project of the Trans-Myanmar oil and gas pipeline, China is in the process of deploying the military in several areas of Myanmar where the construction of the CNPC gas pipeline is built. The construction of the gas pipeline project is said to be in Earth Right, causing a significant

increase in the procurement of army, naval and police forces in the construction project area of oil and gas pipeline. This security guarantee contract is followed by long-established military cooperation between Myanmar and China. Along with energy cooperation, China seeks to provide assistance to Myanmar's military junta government to improve the capabilities and quality of Myanmar's security forces. This is evident from the construction of a military base located in the area Arakan Yoma, precisely in Ann (Olyvia, 2014).

C. Social and Political Distortion

As mentioned earlier based on the theory of dependence mentions that as a result of foreign penetration, economic growth in developing countries cannot encourage the growth of liberal democracy, but it will stimulate the emergence of dictatorship. This is what happens to Rohingya and local people in Arakan. What has been done by the government and the military junta in Myanmar is proof that the country has embraced a dictatorship system in Myanmar especially in Arakan, Rakhine. Not only the enormous energy and capital but also the vast area needed for the construction of oil and gas pipelines in Rakhine. Here are 2 forms of politic & social distortions faced by Myanmar:

1. The Formation of Different Classes in the Society

Distortion in the political and social fields, one of which is the formation of differences in classes in society. in the construction of Shwe pipeline in Arakan, this has led to an increase in government intervention which is the majority of Buddhist. from the construction of the pipeline forming a class difference between citizens and the government. those who support development come from the government, military junta, and other majority groups from outside the Arakan area. while the contra of development came from the local community of Arakan, including Islam and Buddhism. However, in order to expedite development, the people who contradict the development have been subjected to violence from the Myanmar government. besides, in political terms in

the 2015 election, who inhabit the western region of Myanmar, are not given the right to vote, because the Myanmar government at the urging of the Buddhist ultranationalist movement led by radical monks suddenly branded around 1.3 million Rohingya as stateless.

In addition, Muslim candidates who advanced through various parties including the NLD party and the Union Solidarity and Development Party (USDP) led by the president of Thein Sein, were mostly dropped from the list. Neither the party was crossed out, nor crossed by the KPU on the grounds that his parents were not Myanmar residents (Husein, 2015).

This is what happened in Myanmar where people Muslim and all people that not support about the construction will get different treatment from their government so that it was triggered the angry of the people especially for Muslim Rohingya and also Buddhist that do not support the establishment of the construction.

2. The Existence of Violations of the Rights of Local People in Arakan

After the construction of the pipeline in the Arakan region, human rights abuses and violence committed against the Rohingya ethnic minority conducted by the military junta worsened in 2004. The violence included cases of the death penalty, rape by the army, forced labor, ethnic minority expulsions to facilitate the project. Ethnic cleansing in order to expedite the establishment of the construction, inadequate compensation and lack of stimulus or economic assistance from local governments including from China part themselves, then concerning requests for permission or consent from the minority group to undertake projects on their land tend to be forgotten and not done by the corporation concerned. In addition, there are other violations, such as harassment and intimidation by the state apparatus, arbitrary detention and torture, and forced labor by local residents in connection with project work (Olyvia, 2014).

In October 2015, from a leaked document in the UK, the International State Crime (ISCI) at Queen Mary University in

London concluded that the Rohingya occupying the Rakhine state region faced the threat of a late-stage genocide process. Documents owned by the British government are sourced from intelligence in Myanmar, showing plans concerning the mass cleansing that has been prepared by the Government of Myanmar's Top Level. The report includes plans for rape, massacres by the people, detention of legal cases, land grabs, house burnings, isolation by the government, cornering the Muslim Rohingya with religious sentiments (Buddhists vs Muslim), finishing or expelling (Setiawan, 2017).

Besides that about the land grabbing, the military army of Myanmar has committed open violence against a group of Burmese citizens to forcibly seize thousands of hectares of farmland around the Arakan and Shan areas to clear the pipeline and infrastructure roads linked to the China project. Many local people have affected the construction of the pipeline and the loss of their land where the land is their only livelihood. It is estimated that more than 200 hectares of agricultural land have been confiscated by Burmese authorities from local residents for exploration activities. Even the life of a local fishing family in the Arakan section has been destroyed due to the construction of offshore infrastructure for this project.

Myanmar has ratified the Convention on the rights of Manpower, where it says that the state does not impose burdensomely or defraud those who work but is obligated to provide protection and benefit to every working individual. Myanmar is directly responsible for the people who work in foreign companies within Myanmar itself. Despite the binding rule of prohibitions laid down in labor law, the Myanmar army still uses forced labor against these workers in launching gas and oil pipeline projects. The humanitarian agency receives reports that the Myanmar soldiers in the pipeline construction area forced villagers to participate firefighters and local militias. In addition, the Myanmar army uses local residents to work in the construction of a health clinic that is part of the company's socio-economic program. Villagers working in the construction were not previously consulted or notified in

advance, where there are labor rights to be able to work in accordance with his wishes.

In 2012, those are treatment from the government it attracted the anger of local communities in Arakan and many human rights groups called protests to the China government to stop its investment and gas and oil pipeline project work in Arakan region. The protest came as a result of concerns from many human rights groups over human rights abuses committed by CNPC and MOGE. The concerns of human rights violations themselves are based on information on the ground stating that CNPC and MOGE parties do not provide adequate compensation to local people whose land is being taken for the installation of a gas pipeline in the Arakan region (Putra, 2011)

What is some of the reasons that incurred Myanmar's anger toward greater conflict, but they are useless because they do not have the opportunity to refuse from the state policies. This means that no matter there are ethnic Rohingya who is Muslim, or ethnic Christians, Catholics, Hindus, Buddhists or even Atheists, as long as they are ethnic Rohingya now then they will surely be beaten by the group of ruling elite in Myanmar.