THE INFLUENCE OF CHINA AND MYANMAR RELATIONS IN THE

CONSTRUCTION OF SHWE PIPELINE IN 2004 TOWARD CONFLICT OF

ROHINGYA

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ABSTRACT

This paper tries to explain why did the influence of the cooperation between

China and Myanmar, which is the construction of Shwe Pipeline in 2004 toward conflict of

Rohingya in Myanmar can rises the escalation of conflict Rohingya. Previously, the conflict

between ethnic of Rohingya is a violent conflict that has occurred in Myanmar involving the

Muslim group of Rohingya and until today has not been resolved but, after the construction of

Shwe pipeline building had a very significant impact on the conflict of Rohingya. This

construction led to widespread escalation of Rohingya conflicts in the Rakhine, Arakan.

Key word: Myanmar, Construction, Conflict, Rohingya

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INTRODUCTION

Myanmar is one of the developing countries that located in Southeast Asia which until now controlled by the military junta. After gaining their independence from Britain in 1948, Myanmar government formed the Republic of Union of Burma with Sao Shwe Thaik as the first President. Myanmar is the second largest country in ASEAN after Indonesia with a population of about 60 million people. Myanmar economy is based on agriculture and functions mainly on cash and barter systems. The main industries are controlled by the military run by state enterprises. Every aspect of economy life is absorbed by the black market, where price reactions have skyrocketed against official price controls since 1989.

In terms of population, Myanmar is multiethnic country, that 70% of population are ethnic of Burma, Bamar, Shan, Kachin, Kayin (Karen), Kayah (Karenni), Chin and Mon. from those various ethnics, there is group of muslim Rohingya that including minority group that stay in Arakan area, which directly borders Bangladesh. In terms of religion, although 75% of population are Buddhist, but there is also Christian, Islam (20%), Hindu and animism in Rohingya. And even half of the data are indicated that more than 40,7% people in Rakhine are muslim. But in the reality, the relation between those are religions is not good (Yumitro, 2017).

After gaining their independence, the country has many ethnic violences that led to conflict. One of them is the conflict of ethnic Rohingya in Myanmar that occurred from few and even hundred years ago and still happen until today is one of the biggest conflict especially in Southeast Asia area. There is some escalation conflict in Myanmar toward ethnic of Myanmar. In 1942, the government of Myanmar provoked Buddhist in Arakan until big conflict occur that caused 100.000 ethnic of Rohingya were killed and hundreds of thousands fled to East Bengal. Then in 1949, the conflict that triggered by Burma Territorial Forces (BTF) occurred again by

killing thousands of muslims and hundreds of homes and mosques destroyed. On some occasions some Rohingya even becoming minister of Myanmar's cabinet in the period 1940 – 1950. In 1962, after Myanmar's independence, there was a kudeta in Myanmar by General Ne Win against President Aung San, followed by a military operation against the Rohingya known as Operation King Dragon (Dragon Min), and also Myanmar's political system turns into more authoritarian. In 1978 which resulted in 200.000 people fleeing to Bangladesh and neighboring countries others (NN, 2016).

Myanmar is known as a country rich in natural resources, including gold, diamonds, oil and gas. Those are include as Myanmar's largest sources of legal export earnings, accounting for 30% of total exports. In 2004 when for the first time found gas in Shwe Blocks A1-Bay of Bengal. Estimated gas deposits reached 5.6 Trillion cubic feet which will not be discharged in the exploitation of up to 30 years. Based on reports from Forbes, Myanmar is estimated to have oil and gas reserves of 11 Trillion until 23 Trillion cubic feet. It would make foreign multinational corporation from different countries fighting over getting the deal to exploit it. Actually, the natural resources are owned by Myanmar's Rakhine State, which is oil and natural gas. This location also has rivers, lakes, and the sea that is directly connected with the vast ocean. It caused Rakhine has potential business prospects in the future. In addition, Myanmar also is in favorable geopolitical position, especially for China, because it is the access to the sea of India and the Andaman sea (ArrahmahNews, 2015).

In the midst of the conflict in Myanmar, China is a country with high economic level in the world has long been building bilateral relation with Myanmar in various fields, including agriculture, maritime economy, finance, science, technology, environmental protection, etc. In 2004 Myanmar build cooperation with China National Petroleum Corporation (CNPC) owned by China.

CNPC is the largest oil company in China which was founded on September 17, 1988 to replace the Ministry of Petroleum Industry (MOPI) dating from 1949. The cooperation in the form of oil and gas purchase contract nature from Myanmar to China through Myanmar Oil and Gas Enterprise (MOGE) and China National Petroleum Corporation (CNPC) will last for 30 years and CNPC will act as the main implementers of the project of this cooperation. In a description obtained from the Department of Statistics of China said that in 2009 bilateral trade between Myanmar and China reached USD 2.907, and still increase until 10% from the previous year with total Chinese exports to Myanmar USD 2.26 billion and imports of Myanmar reached USD 1.331 billion, mostly in mining, energy, electricity, Oil and Gas sectors (Dheflower, 2012).

According to the background, the researcher will explain more about the influences of the result of agreement between Myanmar and China, which is the construction of oil and natural gas pipeline toward conflict of Rohingya.

METHODOLOGY

Theory of Dependency: Theoritical Framework

To analyze the problem, then theoretical framework in this research is to use theory of dependency and the concept of conflict.

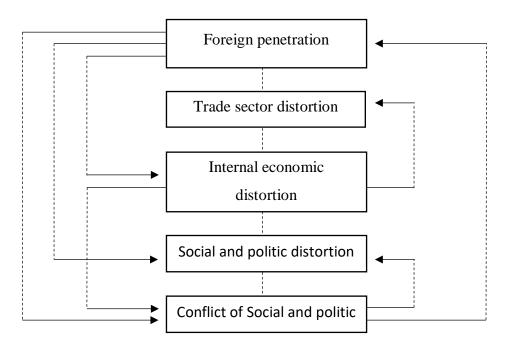
1. Theory of Dependency

The theory of dependency assumed that poverty and underdevelopment that occur in developing country is not caused by internal factors in that country, but it determined by external factors from developed countries. External factor that most decisive is there is an intervention and domination from developed country at the pace of developing country development. With that intervention, the development in developing countries is not working

and is useful for eliminating the ongoing underdevelopment, but increasingly bringing misery and underdevelopment. If the development want to succeed, so the dependency should over and let the developing country stand by their own self (Lipu, 2011).

In this case, the meaning of dependence is defined as a situation when the economy of a particular expanding state is conditioned by the development and expansion of other economists, and the relation between them and world trade is in a dependency. Dos Santos analyze 3 forms of dependency theory. *First*, colonial dependence characterized by a trade monopoly equipped with land, mining and labor monopolies in the colonies. *Second*, financial-industry dependence, started from the era of independence and marked by the concentration of capital in the state centers and by investing capital in the production of raw materials and agricultural products in periphery countries. *Third*, technological-industry dependence, emerged after the second world war and marked by the emergence of multinational companies setting up factories relating to the domestic market of dependent nations (Fakih, 2001).

Chart 1.1 Simple Pattern of Dependency theory by Raymond Duvall



Source: Journal of Relation between Economic – Politic in term Dependency Perspective (2012) vol.7.

From the table above, almost all developing countries experienced deep penetration and highly dependent on advanced industrialized countries. The dependency from external it will an effect to the existence of distortion inside economic structure in developing country and then it will lead to severe social conflicts and ultimately encourage state oppression of the people in dependent societies. This penetration can occur in various way, economically, politically, and culturally (Ruslin, 2012). Politic and cultural penetration coming through several ways, highly information and communication, through various material and symbolic packages. Such as, book, television program, internet, magazine and film, that bring western industrial culture and will influence mindset, behavior, ideology, value, consumption, and so on.

According to Mochtar Mas'oed in his books Science of International Relations – Discipline and Methodology conclude that the main of the dependency theory are: foreign penetration and external dependency causing massive distortion in the periphery economic structure, and the next it will lead to massive social conflict and finally encouraging state oppression of the dependent people of the community. He also explain about the effect of dependency in term politics, the existence of foreign penetration inside economic growth of developing countries will inhibit liberal democracy, its presence will only further trigger the strengthening of the dictatorship. Where the state bureaucracy in controlling the government and state enterprises that control various business sectors as highly active actors together consolidate power (Mas'oed, 1990).

The theory of dependency interprets the distorted development phenomenon typically. *First*, they compared patterns of development with slow-growing but equitable, balanced, tractive and homogeneous economic model. *Second*, they assumed that the distortion in the development of the periphery countries is the result of the pattern of foreign penetration and there is indeed a positive correlation between foreign penetration and the distortion of periphery development. *Third*, the dependency theory links foreign penetration and economic distortion with other distortions in social and political systems. They showed that the effect from foreign penetration, the growth of economic in developing countries is not able to encourage the growth of liberal democracy, but stimulates the emergence of inaccuracies. According to this perspective, the bureaucracy of the state make triangle alliance with foreign investment and ruler inside the country. And to protect the alliance, the bureaucrats applied the political repression and social conflict. This theory showed that the consequences from economic and politic life is passed its violence, even the use of directly violence and the widespread of structural violence which is poverty and inequality (Mas'oed, 1990).

If the government directly dominated by foreign investment, the government will priorities the policy that support their interest, which is the cost stabilization by reducing labor costs and increasing profits. If the government bureaucracy reflects the interests of the state and tries to expand the company's activities, then the bureaucracy will also have an interest in pressuring the wage of workers to remain low in order to stabilize costs for the company's activity.

The inequality of income distribution is particularly vulnerable to conflict, since some groups or classes gain an increasing share while they themselves gain little or even a decline. This condition also triggers the magnitude of crime caused by the existing poverty. This

allows for increased levels of socio-political distortion. If the government directly dominated by foreign investment, the government will priorities policies that support their interest, which is cost stabilization with pressing the wages of labor.

2. Concept of Conflict

In International Encyclopedia of The Social Sciences explain about the definition of conflict from anthropology aspect, the problem that exist due from competition at least between two parties, where each part can be family, group, community, politic organization, ethnic, and religion. Word of conflict coming from Latin language *configere* means hitting each other. Conflict also means the action from one part which resulted in blocking or disturbing another part where it can occur between groups of people. While Scannell explain that conflict is something normal that arises because there is different perception, goal or value in one group of individual. (Sudarnoto, 2015)

Conflict defined as interaction between two or more parties that have dependency each other but they are separate because different goals. The implication from the definition of conflict below are: 1). Conflict can occur inside or outside a system. 2). Conflict have to realize by at least one of the part that involved in that conflict. 3). Sustainability is not important thing because it will stop when the goal has been achieved. 4). The act may refrain from not acting.

Talking about the scale of conflict. Social conflict can take place at the inter-power level. There are three known power spaces in a social system, namely state power space, civil society or social-collectivity, and private sector. Social conflict can take place in any room or agency or inter space power structure.

Social conflict between stakeholders can occur in 3 forms:

- a) Civil society or social collectivity face to face against the state. in the case of social conflicts can occur in the form of public protests over public policy taken by the state/government that is considered unfair and detrimental to society in general.
- b) Social conflict that occur between civil society or social collectivity against private. Classic example "bloody feud" that still occur between local community against multinational corporation in Papua.
- c) Social conflict that occur between private against state. Various actions taken by the government/ state in guarding the course of a policy usually spend costs of social which is conflict and this type is inevitable.

The dynamics of social conflict between powers-rooms will be more complex, when the constituent elements of a power space do not represent social structures with homogeneous social attributes identities. In the space of state power, there are a number of internal social conflict both latent (hidden) and manifest. In this case, the easiest example is the social conflict that take places in the practice of government management due to the authority in controlling the hierarchy of development between the district, provincial and central. (Sudarnoto, 2015)

In the room of civil society power or social collectivity occurred social conflict between social collectivity in opposing a common object. This is triggered by a different perspective in interpreting a problem. Differences of ideologies shared by each side of the dispute make the social fraction may turn into a real social conflict.

RESULTS AND DISCUSSION

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 that faced by Myanmar, this is evidenced by the widespread scale of conflict. Conflict occur not only against the Muslim Rohingya, but also the local people that stayed in Arakan, include 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 region. Where, in the region is the residence of the Rohingya ethnic community. 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 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 ethic of Rohingya that stayed in Arakan, Rakhine. It increases the escalation of conflict into a larger scale. Here are some of the 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'oed, 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.

CONCLUSION

The Bilateral relations between China and Myanmar in the field of energy which is the construction of Shwe pipeline in Arakan, Rakhine in 2004 has brought a great impact on the people of Myanmar, especially for local people that stayed in Arakan Rakhine. Where there has been a conflict occurred before between ethnic Rohingya that until now has not been resolved both the Government and Myanmar's own society. not just for Myanmar, but this relationship also had a major impact on china as the country that gave the most investment to the project of the construction of Shwe pipeline in Arakan, Rakhine. On the process of the construction of Shwe Pipeline effect on the escalation of conflict of ethnic Rohingya. This is evidenced by the widespread scale of conflict. conflict occur not only against the Muslim group of Rohingya, but also the local people that stayed in Arakan, include Buddhist. They are effected by the process of the project that still running until 30 years ahead.

Therefore, to minimize the conflict the government of Myanmar must be responsible for human rights violations and remain accountable to the unresolved conflicts toward ethnic of Rohingya, adopt and enforce laws that cause environmental, social and human rights impacts, adopt and enforce laws requiring a transparency of payments from oil and gas mining by CNPC companies, adopt and enforce the law to ensure the process of seizure of people's land with fair

compensation, transparency in the case of free and fair industrial projects and the participation of civil society, ratify the United Nations Convention against the corruption signed by Myanmar itself, implement a development moratorium on gas projects, oil mining, and electricity & hydroelectric sectors. As developing country, Myanmar must take stand-alone attitude, as outlined earlier. In particularly the need for increased general commitment. The government must strive to restructure the entire economy so that modern technology must be disseminated to all layers of the production sector. This will ensure equitable distribution of income and will eventually end the process of marginalization of the people.

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