

## **Burma: Human rights abuses linked to foreign investment in “development”**

Foreign investment in mining, gas exploitation and dam mega-projects – identified with “development” – in fact constitute a direct cause for human rights abuses and a threat to environmental sustainability in Burma. The country is governed by a military dictatorship since 1962, which has imposed a regime characterised by state terrorism.

The social and environmental damage mining operations have brought to Burma are analysed in the recently released report “Grave Diggers” written by Roger Moody and disseminated by a group of Canadian environmental NGOs. The report highlights the activities of Robert Friedland and his mining and financial empire Ivanhoe Capital Corporation (ICC). Friedland is notorious for the environmental disasters caused by mining operations he owned in the United States and Guyana, and his corporate links to mercenary armies in Sierra Leone. In 1994 ICC reached an agreement with the Burmese military regime to exploit the Monywa copper mine. These operations have caused water pollution and skin problems to local residents while safety measures were completely absent. Additionally, local dwellers were threatened by the use of explosives for mining. It is astonishing that even though the financing for this operation is handled through a firm registered in Canada (Friedland’s Ivanhoe Mines Ltd.) and human rights organizations worldwide have condemned corporations for doing business in connection with the brutal Burmese regime, the Canadian government has completely overlooked Ivanhoe’s investment in that country.

The Yadana gas pipeline is another case where the performance of foreign companies in collusion with the government has been severely questioned due to its environmental impacts and to the violation of human rights to the detriment of the local villagers. On September 7, 2002 a Federal judge of Los Angeles cleared Unocal Corp. – one of the largest remaining U.S. investors in Burma – of responsibility for alleged human rights abuses during the construction of the Yadana pipeline. Unocal Corp. holds 28.6 % of the shares of the consortium in charge of the works, which ended in 1998. Lawyers representing Burmese villagers that presented the demand in 1996, who claim that they were either forced by the military to work on the project or were terrorised for not doing so, said they would appeal the decision. Unocal did not dispute the assertion that it was aware that human rights abuses were being committed by the host government during the pipeline project. Nevertheless, according to the judge, it was not proven that the oil company had conspired with the military to force the villagers to work. The question is whether justice can accept the “omission” of a powerful transnational in a case regarding human rights abuses, especially when its activities are favoured by those directly responsible for them.

Last but not least, a dam project led by the Thai dam-building company GMS Power and the Electricity Generating Authority of Thailand (EGAT), which aims to build a huge dam at the Salween River, the only remaining free-flowing major river in the region, has recently also given place to human rights abuses in Burma. Since 1997 villages in Kunhing Township, along the banks of the Salween and its tributary Nampang have been relocated. Altogether 175 villages, 4,018 households and more than 1,400 hectares of fields would be flooded when the dam is completed. But since last May the situation got even worse. Villagers in southern Shan State have denounced that the Burmese Army had begun an operation of extermination of the

population located in the areas to be flooded by the dam's reservoir. (WRM Bulletin N° 39, October 2000).

### **Burma: Behind the glitter of rubies, sapphires and jade**

Burma is famous for its rich deposits of gemstones which include rubies, sapphires, and jade. The town of Mogok, which is located in the eastern corner of Mandalay Division along the Shan State border, has been the centre for ruby and sapphire mining for eight-hundred years.

The mining enterprises operating in Mogok were first taken over by British interests in 1888. They were later nationalized in 1962 following the military coup headed by General Ne Win. Until comparatively recently, however, these enterprises were relatively small-scale and caused limited damage to the surrounding environment. Since 1989, there has been a major shift towards large-scale mining operations which has transformed the industry.

The rapid rise of non-local actors, capital, and equipment have also accelerated the ecological devastation of the region. Between 1989- 1992, modern mining equipment caused extensive damage, especially around Mogok and Mineshu. In the process, local businessmen have been displaced by increased competition and corruption. They now find themselves working as poorly paid laborers for outside business interests. Another effect has been the gradual migration of workers and small businessmen from Mogok to mining areas in Shwe Gin, Pegu Division. In the process, many local Karen miners and farmers have experienced the same social, economic, and environmental problems that prompted these entrepreneurs to leave Mogok in the first place.

The expansion of intensive forms of resource extraction is, in most cases, unsustainable. Mining activities are occurring in a context where there is no regulatory oversight. People working in mines during the rainy season regularly risk drowning from flash floods or the collapse of retaining walls. Workers who sort gems after they are removed from the ground must do so under the hot sun since much of the surrounding area has been clear-cut and is devoid of shade. Workers have also reported that breaks are rarely allowed and that they regularly face verbal and physical abuse from the soldiers who provide on-site security for the companies.

More recently gravity-fed, multi-level sluices with screens have been used. But with the arrival of the outside business interests, miners have begun using hydraulic gold mining. This highly destructive method uses diesel-powered pumps to force jets of pressurized water through a hose which is then aimed at a river bank or the side of a rocky outcropping. Under such pressure, large amounts of rock and earth are simply washed away. The gold-bearing sediments are then channeled through a large sluice which is typically lined with liquid mercury (quicksilver). The mercury captures the finer particles of gold through a chemical process known as amalgamation and they are later separated. The remaining mix of debris and polluted muds are washed downstream. Since mercury is highly poisonous to people and animals, the practice has been banned in many places around the world. Currently, it is unknown whether these chemicals are being used in these two locations, although it is widely used elsewhere in Burma for gold mining, having caused severe environmental damage.

Local sources report that mining activities, especially the use of hydraulic mining, around Mogok and Shwe Gin Township have led to a common pattern of problems, including:

- \* The collapse of river beds due to the removal of silt and soils from banks of the river, the base of trees and walls
- \* Increased levels of soil erosion
- \* Increased levels of sediment
- \* Reduced fish stocks due to changes in water temperature
- \* Increased water pollution from mining tailings (i.e. the finely ground up materials left after the desired ore or mineral is removed)
- \* Increased water pollution from “slurry” or acid mine drainage (i.e. the mixture of tailings, water, and chemicals, usually cyanide or mercury)
- \* Increased water pollution due to diesel fuels and oils leaking from the pumps and other mining equipment
- \* The loss of ponds and other freshwater sources, such as small creeks, from over-pumping
- \* The destruction of arable fields due to “deep trenching” and indiscriminate use of heavy equipment (e.g. bulldozers and heavy equipment)
- \* Increased use of timber to construct sluices and reinforce underground tunnels
- \* Increased used of non-timber forest products (e.g. bamboo and rattan).

Given Burma’s political and economic reality, most people have little possibilities of opposing these mining activities. Simply, people in these parts of Burma are caught between powerful military and business interests. With few alternatives left, many communities are forced to participate in the unsustainable exploitation of their own local natural resources, even though they know they are destroying the very ecosystems they need for their own survival. (WRM Bulletin N° 77, December 2003).