



**Burma News International,  
Myanmar Peace Monitor**



**PEACE,  
DEVELOPMENT  
AND THE  
PROPORTION OF  
BENEFITS AND DEFECTS**

**Analysis Paper 1**

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## Purpose

Our team, Myanmar Peace Monitor (MPM) of the BNI has been monitoring Burma's peace process since the beginning, and regularly published books on the peace process and issues based on our systematic studies. In writing and publishing those books, we have done so in accordance with our primary purpose: “To enable the public to get access to, read, cite and note peace-related information”. In the process of writing the books and reports, we do not have any intention to hurt or offend anyone but instead typically write them in order that they will be impartial and fair evaluations with a view to materializing a better peace process.

The present analysis paper entitled “Peace, development and the proportion of benefits and defects” focuses in particular on the Shwe Kokko “New Town” Project in Karen State. The rationale behind the implementation of this study is that Karen State is a region where 3 ethnic armed organizations (EAOs) that have signed the Nationwide Ceasefire Agreement (NCA) have their bases and where the involvement of border guard forces (BGFs) is significant. Further, it is also often shaped as a region where the majority of ceasefire-related benefits are experienced during the peace process.

Hence, our MPM team of BNI studies considers peace building and development projects a subject area worth systematic study and, we intend to share ideas that should be taken into account for the projects that will be carried out in other ethnic areas based on the the findings of the study.

## 1. Introduction

Burma is a multi-ethnic state, which has experienced of civil war for more than 70 years. As the consequences of the civil war, all the aspects of Burma have become weakened. Especially, the socio-economic development in the areas of ethnic minorities has been left behind for many years more than any other regions where the Burmese majority live. Simultaneously, the development gap between the regions in which the majority Burmese ethnic people live and the states where the ethnic minorities live has had impacts on the administrative and economic transformation of Burma that began with the political transition in 2011. That means issues including human resource constraints, inadequate basic infrastructure for the economic development and instability in the states have come to play a crucial role in achieving a balanced nationwide development. Therefore, following the year 2017, the government has identified peace as a priority area and has repeatedly stated that economic development is also crucial.

To date, a total of 10 EAOs have already signed the NCA and the peace process that started under the Thein Sein government has reached an increasingly complex situation under the current government led by the National League for Democracy (NLD). The battles waged between the army and EAOs that have not yet signed the NCA have also become more intense, thus leading to a gradual increase in the number of internally displaced people (IDPs). Meanwhile, in some ethnic states with the EAOs that have already signed the NCA, some development projects have been implemented on the basis of unequal ownership rights under the leadership of the government. On one hand,

not only local businesspersons but also international ones are involved in some of those projects but it is doubtful that those projects would be actually beneficial to local people.

On the other hand, the peace process between EAOs that have already signed the NCA and the government/the Union Armed Forces (Tatmadaw) also has reached deadlock with disputes over security issues, different definitions on political promises and issues related to interim implementation. As political negotiations have dragged on for a long time, economic opportunities and socio-economic crises related to resettlement of the IDPs in those ethnic regions have also become more intense as challenges.

In the preliminary peace talks, it was widely accepted that development projects would be initiated as interim plans with a view to supporting the peace process. However, the question on whether those development projects are really pushing the peace process towards a better situation or towards an increasingly complicated peace-building process calls for a systematic investigation. This is because, although economic resources were not the problems that triggered armed conflicts, they have become one of the factors that have led to the prolonged conflicts.

## Methodology

Data and evidence needed for this analysis paper is acquired from two main sources. The first includes interviews with the individuals involved in the issue under investigation while the second consists of obtaining data from newspapers and publications that have been published. In interviewing those individuals, Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) were conducted. In presenting the questions and answers involved, the names of interview participants will not be mentioned in the paper so that they would be able to freely express their perspectives and opinions. However, our team has kept the interviewees' names, organizations and relevant data to maintain the validity of data.

## Research problems and research design

This research paper was mainly based on the research questions: how the development projects implemented in the regions where a ceasefire was reached during the peace-building process affects the peace process; and what kinds of impact those projects have on the local people. In order to answer these research questions, our team has formed sub-questions on the basis of 4 themes:

- (1) Ownership issues of the projects;
- (2) Land-related issues arising out of the projects;
- (3) Social issues;
- (4) Local people's access to job opportunities.

In addition, efforts have been made to draw conclusions from the evidence-based analyses, and some findings have also been presented as policy recommendations.

## 2. Background information on the Shwe Kokko "New Town" Project

The Shwe Kokko “New Town” Project is one of the important projects of China and located along Thauungin River in Kokko Myaing region, that is near the Thai-Burma border, and is estimated be around 2000 acres wide. However, according to the Karen State government, the government permitted only about 62 acres of land to be used for this project.<sup>1</sup> The project is a significant part of the Silk Road Project of China since it will connect to the Great Asian Highway in the Thai-Burma border that is often metaphorised as China’s outlet to Southeast Asia.<sup>2</sup> Yet, a report published by Karen Peace Support Network (KPSN) stated that no data have been officially released regarding the relationship of the project with the Silk Road Project.<sup>3</sup>

Further, the project will involve construction of an airport, high-tech houses, hotels, international universities and golf courses and probably open casinos. Located about 20 kilometres away from Myawady, this project is a joint business owned by the BGF led by Col. Saw Chit Thu and Jilin Yatai (Group) Co. Ltd. from China. The company was ranked 329th among the 500 globally largest Chinese companies in 2016.<sup>4</sup> However, other sources reported that confirmed data related to the background of the company is very limited and that very few people have tried to probe into it.

Jilin Yatai (Group) Co. Ltd. was registered as Myanmar Yatai International Trading Company at the Ministry of Planning and Finance in Burma in February 2017. In September that year, the company and Col. Saw Chit Thu, head of the BGF, signed the Agreement on Friendship and Cooperation under the arrangement with China Federation of Oversea Chinese Entrepreneurs.<sup>5</sup> The company has announced that the amount of its investment is approximately over US \$ 15 billion<sup>6</sup>. Additionally, in July 2018, the Myanmar Investment

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1 7 Day TV, 24 May 2019 ([https://www.youtube.com/watch?v=Hi-lj8J6f\\_M](https://www.youtube.com/watch?v=Hi-lj8J6f_M))

2 Myanmar Times, 27 Sep 2018 (<https://myanmar.mmtimes.com/news/115825.html>)

3 Karen Peace Support Network, “Gambling Away Our Land”, 26 March 2020 ([http://kesan.asia/resource/gambling-away-our-lands/?fbclid=IwAR2JMzUFLgUInoPZ0VuLLHsPU7bzKjv\\_34fByFxlE0kFpW8pzUs5B-GSL3o](http://kesan.asia/resource/gambling-away-our-lands/?fbclid=IwAR2JMzUFLgUInoPZ0VuLLHsPU7bzKjv_34fByFxlE0kFpW8pzUs5B-GSL3o))

4 Myanmar Times, 27 Sep 2018 (<https://myanmar.mmtimes.com/news/115825.html>)

5 Myanmar Times, 27 Sep 2018 (<https://myanmar.mmtimes.com/news/115825.html>)

6 DVB TV News, 23 Aug 2019, ([https://www.youtube.com/watch?v=mEtUW3ZjHRM&feature=share&fbclid=IwAR3cYfXbKmQcebRYPmj0YQMIHJt2D3haVosHfPmErPFKihol\\_01Lsd\\_ePpM](https://www.youtube.com/watch?v=mEtUW3ZjHRM&feature=share&fbclid=IwAR3cYfXbKmQcebRYPmj0YQMIHJt2D3haVosHfPmErPFKihol_01Lsd_ePpM))

Commission gave Myanmar Yatai Company permission to conduct business for 30 years and the company invested US \$ 22.5 million in a 10.3-hector-wide land for preliminary activities. According to the Myanmar Investment Commission, the project was permitted since the Karen State government made “no objection” remarks. According to the news report of Radio Free Asia (RFA), 30% of the project is owned by Chit Lin Hmyaing Company owned by the BGF while 70% of the project is owned by Burma Yatai Company.<sup>7</sup>

One of the villagers said that, prior to the implementation of the project, only the BGF – without the presence of Myanmar Yatai Company – met with the local people, and that those people were given US \$ 1600 per acre of land although they asked for US \$ 4800 per acre. It was reported that Col. Saw Chit Thu said there would be more job opportunities and a higher living standard when the project had been completed. However, only the Chinese experts and workers have been in charge of all the matters related to the implementation of the project and the local people have concerns over Chinese supremacy in the area since the shops and markets within the project area have a lot of Chinese influence. Besides, the opening of gambling houses – and it is very likely it will be so – will not only make the local youths exposed to the influence of bad, negative characteristics but increase risk of money laundering in the area. However, as the project is situated in the region under the control of the BGF and it has also obtained the permission of the Karen State government, the local people have no chance to object it.<sup>8</sup> According to the latest data, Col. Saw Chit Thu was reported as saying that the project was temporarily suspended due to the the implemenational deviations from the terms specified by Myanmar Investment Commission.<sup>9</sup>

In addition, on 8th April 2020, Myanmar Yatai International Holding Group issued an explanatory statement regarding the “new town” project. In the statement, the company explained that it admits that there were weaknesses in transparency due to the delays in communicating with the relevant organizations. It also stated that the project would be able to create good opportunities for the economic development in Burma and, it would make joint efforts with the public, NGOs and private sectors to help develop the living

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7 Radio Free Asia, 13 Nov 2019 (<https://www.rfa.org/english/news/myanmar/chinese-mega-project-in-myanmars-kayin-state-11132019165455.html>)

8 Frontier, 5 September 2019. (<https://frontiermyanmar.net/en/shwe-kokko-a-paradise-for-chinese-investment>)

9 Ayeyarwaddy, 20 August 2019. (<https://burma.irrawaddy.com/news/2019/08/20/201397.html>)



standards of ethnic Karen people in Karen State through the economic and quality-enhancing activities.

One of the distinctive facts included in the statement is the description that the project has been suspended for the time being since the company has given special consideration for health and security of the local people in the surrounding areas of the project in light of current Covid-19 pandemic. Moreover, the statement also includes descriptions that it will not answer any questions concerning the projects in Laos and Cambodia and that it has been especially avoiding those tasks. It also stated that the project is an important joint cooperation between the People's Republic of China and the Burma for the development of Burma's economy needed for realizing the fourth industrial revolution in Southeast Asia region.

## Research analysis

First and foremost, the territories under the patronage of EAOs in Karen State are also should taken into account into this research. Apart from this, the evolutions and background of security organizations have impacts on the issue under the investigation. This means that the history and stance of EAOs and the territories in their control have existed as their perspectives and stances on the development during the peace process. The demarcation issues between the EAOs and the army also remain as a hard issue for discussion during the peace process.

The controversy over the territorial ownership issues are based not only on military strategic significance but also on the factors including the presence of economic resources and being in a strategic position for economic opportunities. However, what kinds of impacts the revenue benefits gained from those resources have on the peace process and the local people remain the primary question for which this research is expected to answer.

Furthermore, the fact that the EAOs, the government and the army have different definitions as well as varied perspectives and attitudes is also a factor that brings about undesirable issues during the peace process. The Chapter 6 of the National Ceasefire Agreement (NCA) include agreements related to interim developmental issues. Yet, Karen National Union (KNU) occasionally asserts that there have often been territorial expansions as part of military strategies and development is used as a reason for such activities.

In addition, the KNU's General Secretary Phado Saw Tar Do Mu who is one of the central committee members and its spokesperson said, "Development is good. But we have to think as to what kind of development it is. We have to find out what type of development the public really want. We can't create development with one-sided definition as in the construction of highways".<sup>10</sup> This means that the issues related to the development projects which are typically carried out during the periods of ceasefire and peace-building are not like those faced in implementing normal development projects but they can range from security issues grounded on disbeliefs of one side towards another, to political ones as subsequent impacts.



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In the period of time following the year 1989 when ceasefire agreements were made between State Law and Order Restoration Council (SLORC) and some EAOs, 4 special autonomous regions in Shan State and 1 special region in Kachin State were specified.

The specification of those border areas as special regions may result in situations that pave the way for engaging in illegal trades of narcotic drugs, timber, minerals, gems and wild life. According to the research records of the UNODC, a large production of amphetamines was started around the year 1990 and the Burma-Yunnan-Guangzhou Road became the main route for major distribution of amphetamines.<sup>11</sup>

Patrick Meehan from SOAS, University of London wrote a research paper on the political and economic impacts as well as of that on the relations of Burma with its neighbouring countries following the signings of ceasefire

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10 BNI-Interview (1), 27 Feb 2020. (Not Published)

11 Irrawaddy News, 21 July 2016 (<https://burma.irrawaddy.com/opinion/viewpoint/2016/07/21/118796.html>)

agreements between the SLORC and some EAOs in the period after the year 1980. The SLORC which seized power following the democratic uprisings attempted to take control of border areas by cooperating with the armed forces seceding from Burma Communist Party (BCP) in order to instill political stability and weaken the strong armed-forces. The armed forces had also tried to strengthen their political and economic powers to establish an autonomous region in the individual territories under their control. Because of the economic sanctions and cessation of developmental support from the Western countries and the weakening of banking businesses, the SLORC sought to prop up the economy of the country by making efforts to strengthen border trades with economically better neighbouring countries such as China and Thailand. The armed forces with control over territories in the border areas which have already signed the NCA became crucially important in border trades. China and Thailand, the neighbouring countries which have had cast covetous eye at the natural resources of Burma, also established normal diplomatic relations for border trades and permitted them.<sup>12</sup>

In a research paper relating to Burma peace process published by United States Institute of Peace (USIP), the researcher Kevin Woods named the economy arising after the signing of ceasefire agreements in the years 1989-1990, as conflict resource economy. In his research paper entitled “The Conflict Resource Economy and Pathways to Peace in Burma”<sup>13</sup>, he analyzed thus: “These ceasefires never resulted in political dialogue or any settlements on resource governance and benefit sharing with the military-led government. Instead, the state militarized, and EAO, Tatmadaw, and paramilitary leaders looted a range of natural resources to generate revenue and gain state patronage, with counterinsurgent outcomes.”

Kevin Woods suggested as follows: “So far, though, we are seeing much the same as during the first period of ceasefires: business deals in lieu of politics but that do not address key political demands. This can be managed. Land and resource ownership issues and benefit-sharing arrangements in peace policies need to be recognized as opportunities to meet environmental peacebuilding objectives.”

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12 Patrick Meehan, “Drugs, Insurgency and State-Building in Burma: Why the Drugs Trade Is Central to Burma’s Changing Political Order,” *Journal of Southeast Asian Studies* 42, no. 03 (October 2011): 376–404, doi:10.1017/S0022463411000336., 387.

13 Kevin Woods, “The Conflict Resource Economy and Pathways to Peace in Burma,” United States Institute of Peace., 2018., 2

Johan Galtung, a researcher on peace, wrote that abandonment of armed revolution way is not the only method of resolving armed conflicts but there are several other processes that should be taken into consideration. Ceasefire is only one of these processes. The 6 processes that Johan Galtung has suggested include ceasefire, stopping suppressions in terms of the constitution, stopping cultural discriminations, cooperation, equality and nurturing the habit of peaceful negotiation.<sup>14</sup>

Col. Saw Chit Thu who plays a major role in the implementation of Shwe Kokko Project said thus: “We’re interested in development. We want to stand on our feet. If we don’t have our own strength to stand on our own feet, which strength shall we take? Of course, we’ve got to think a little bit about the pros



**We’re interested in development. We want to stand on our feet. If we don’t have our own strength to stand on our own feet, which strength shall we take? Of course, we’ve got to think a little bit about the pros and cons. When this region develops, a lot of job opportunities will be created. Suppose that a specific case has 90% of benefits and 10% of defects. If so, which one will you focus on?**



and cons. When this region develops, a lot of job opportunities will be created. Suppose that a specific case has 90% of benefits and 10% of defects. If so, which one will you focus on?”<sup>15</sup>

Additionally, questions arose as to the fact that the Shwe Kokko region which is one of the territories under the patronage of Karen State BGF is, in fact, being shaped into a city of casino although it has been officially named as a special economic zone. Those different perspectives and attitudes on development have become one of the primary issues relating to the implementation of those projects and they have also become sufficient factors for investigating other interesting issues including those relating to ownership,

14 Johan Galtung, THEORIES OF PEACE: A Synthetic Approach to Peace Thinking (International Peace Research Institute, Oslo, 1967).

15 Irrawaddy News, 28 Aug 2019 (<https://www.youtube.com/watch?v=g5KwzZa0lcY>)

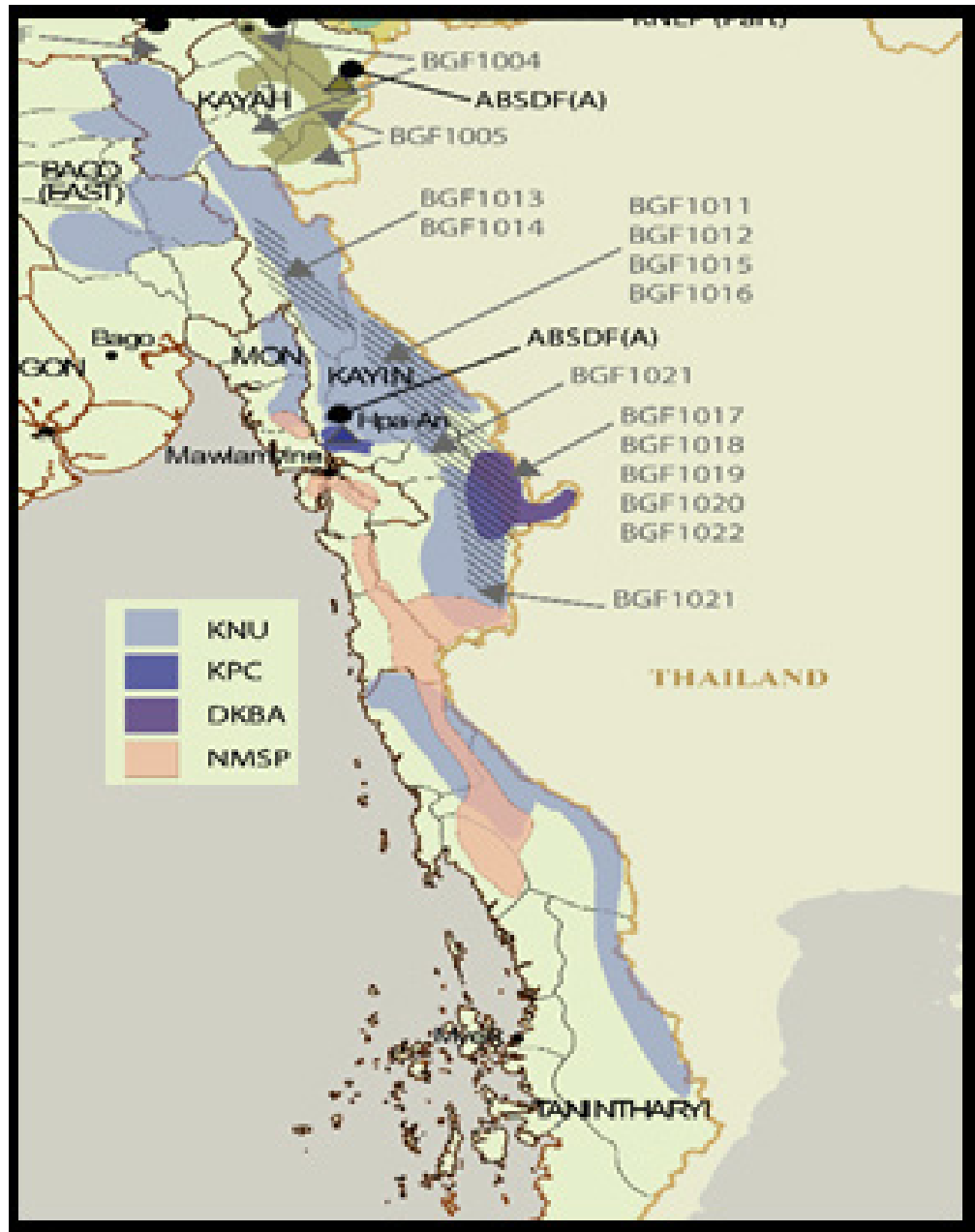


Figure 1: Map of Ethnic Armed Groups Controlled Area and Shwe Kokko's Stateline Images

land and social issues as well as the availability of job opportunities for the local people and other issues. However, our MPM team admits that this study is not able to cover the whole project because of time and other resource-related limitations.

## Ownership issues

Issues related to economic resource such as profit sharing and ownership issues are normally experienced in large development projects. Particularly, even in formal political conditions and economic environment, such issues had to be solved by the judgements of the law; and, thus, strong and fair judgement and laws became the deciding factor. Yet, in informal political ecology system and administration environment, these ownership and profit-sharing issues are not just economic issues but they also become political issues relating to the land where projects are implementing, other resource ownership and legitimacy issues.

The Shwe Kokko Project mainly focused on in this research is also a joint business jointly owned by the BGF led by Colonel Saw Chit Thu and Jilin Yatai Company of China, and it was learnt that Chit Lin Myaing Company owned by the BGF holds 30% of its ownership while 70% of its ownership is possessed by Burma Yatai Company under Jilin Yatai Company of China. However, it was also learnt that the ownership of the project is not as simple as that. Particularly, the relations between the BGF and the Tatmadaw (Burmese Army) are increasingly complex; and it is extremely difficult to analyze the official data regarding how much each company owns in the implementation of the project.

Starting from the years subsequent to the ceasefire periods in 1990, the Burma Tatmadaw underwent not only military operations but it also entered into administration and economy. The two largest economic enterprises established by the Burma Tatmadaw namely Union of Myanmar Economic Holdings Limited (UMEHL) better known as “Oo Paing” Company and Myanmar Economic Corporation (MEC), have long entered the daily lives of Burma people closely. The Burma Tatmadaw has made major investments not only in the businesses relating to the basic infrastructure including food, purified water, transportation, banking and so on, but also in foreign investment enterprises such as mining and gems. According to a study of Karen Peace

Support Network (KPSN), it was analyzed that “The Shwe Kokko project has no benefit for local Karen people, and serve only the interests of transnational gambling mafias and Burma’s military leaders.”<sup>16</sup>

The current perspectives of the public on the Shwe Kokko Project are not the same as they had expected during the project implementation period. In one of the interviews of this research, one of the leaders of the Civil Society Organizations (CSOs) based in Karen State said as follows:

“When talking about the development, what ethnic people really need is not materials. What we really need are education, health and so on, and things like political autonomy, etc. Without solving the political issues and just by implementing so-called development projects like this, it’s impossible to bring genuine development. Then, those who have been engaging in these so-called development projects and those who have gained benefits from these projects are not the public or civilians. Those who have become prosperous are the organization that implements the project and the Chinese companies. Although it’s been said that the local people get jobs, in reality the numbers of people who get jobs are very few and they also have only insecure workplace.”<sup>17</sup>

Moreover, in one of the interviews, Phado Saw Hla Tun from Karen National Union (KNU) said as follows: “Sustainable peace needs to be built for sustainable development. These two factors are also interrelated. Only if there is peace, good investments will come. As a matter of fact, when permission was given for the construction of the ASEAN Highway located in the territory under the control of our KNU, the flow of commodities has become much faster. In such cases, we can say that ceasefire is beneficial for the local development. However, KNU mainly think about obtaining political guarantee. We have our own plans to work for regional development. But we will have to think about how to handle the large projects only after we’ve gained political guarantee. Since the very beginning, there is also no clarity between the Union government and the state government about the existence of the Shwe Kokko Project especially regarding the authority to act and right to own titl”<sup>18</sup>

According to some general information, only the numbers or value of benefit sharing such as 30 percent and 70 percent were expressed in some interviews. Moreover, no accurate data have been found concerning how the

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16 Karen Peace Support Network, “Gambling Away Our Land”, 26 March 2020

17 BNI-Interview (2), 14 March 2020. (Not Published)

18 Myanmar Peace Monitor, 17 March 2020 (<https://www.mmpeacemonitor.org/2615>)

matters relating to the lands of the local people who settled there prior to the beginning of those projects were resolved. According to the findings of the research, it was found that the issues relating to the ownership of the project are much more serious and complex than those of the ownership of normal businesses. Although the implementation of the project has been temporarily suspended at the present time, there is likelihood that it will be carried out again. Since those ownership-related issues are not the types of issues that can be settled separately by the single parties and the individuals involved in the



**The Shwe Kokko project has no benefit for local Karen people, and serve only the interests of transnational gambling mafias and Burma's military leaders.**



implementation process and much more serious political processes are also involved in them, it is crucial that the different organizations involved in the Burma peace process and the CBOs are able to engage in the process of formulating the genuine sustainable developments.

## Land issues

Alongside the process of political transition, land issues also remain as those that are hard to settle. The land issues that have been rooted for many years have become a controversial issue necessitating a special focus under the land and the natural environment in peace negotiations. The land issue is not just a legal dispute but it is one of the greatest issues in Burma which comprises complex corruption issues and the diverse theoretical issues relating to the fundamental laws. The land issue is the common issue that large development projects face and a major issue experienced during the period of transition into capitalism and democracy. If it can be said that the land issues are difficult to solve in the regions and cities where the majority of Burmese people live under rule of law, those land issues have become increasingly more difficult ones for



civilians who live in remote ethnic areas, far from cities, where rule of law and access to justice is beyond their reach.

Regarding the NCA, developed during the present decade, the researcher Kevin Woods analyzed thus: “Despite this progress, the land and natural resource sectors reform have received minimal attention in the ongoing peace dialogues. As a result, core political questions – who has rights to use and management over natural resources, and how will the benefits from their exploitation be distributed and for what purposes – remain unresolved and therefore continue to fuel the armed conflicts.”<sup>19</sup>



**The local people from the project area had to leave the area because of this project. Even if it was said they had received compensation for their losses, it was only a petty amount of money.**



In the Shwe Kokko Project of this research study, the land-related issue has not been mentioned specifically on media despite the fact that it is as serious and complex as other issues. Particularly in the border areas which are far from urban areas, where law and order is not in place, and which are also part of the territories under the control of armed groups, it is difficult to assume that the local people may get the compensations of actual worth for their lost farming areas because of the project. Regarding this matter, one of the local columnists described thus: “The local people from the project area had to leave the area because of this project. Even if it was said they had received compensation for their losses, it was only a petty amount of money.”<sup>20</sup>

In addition, many denials to respond to questions concerning this matter have also been experienced. This obviously shows that the widespread power of those engaged in the implementation of the project is enormous. In the report

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19 Kevin Woods, “The Conflict Resource Economy and Pathways to Peace in Burma,” United States Institute of Peace., 2018., 2

20 Mizzima Daily, 13 Feb 2020 (<http://mizzimaburmese.com/article/66920?fbclid=IwAR1P4k7MMh1RpucXha7oshN68SGn17ZxRqBcWWoBv99XXhGx4MeOo3HV76s>)

21 Karen Peace Support Network, “Gambling Away Our Land”, 26 March 2020.

entitled “Gambling away our land” issued by Karen Peace Support Network (KPSN), it was described that there are many land-related issues in carrying out the project.<sup>21</sup> Particularly, although the local people faced with such problems such as not receiving compensation money based on the uncertain messages, and so on, they had neither access to legal protections nor opportunities to get access to such legal protections. In the interview made with Phado Saw Tar Do Mu from Karen National Union (KNU), he said that Ethnic Armed Organizations (EAOs) have been paying special attention to and closely monitoring such processes in the interim periods of the peace process. Such land-related issues are not just economic issues but they also have impacts as political and social ones.

## Social issues

Since the beginning of the Shwe Kokko Project, the most worrying and most highly impacting issue among the public is social issues. In particular, issues threatening the existing social dimensions and values of ethnic Karen people are the greatest. The issues included narcotic drugs, gambling, human trafficking, sexual exploitation, human rights abuse, and so on, and other issues relating to the ethnic values. Regarding those issues, one of the leaders from CBOs based in Karen State gave the following response in one of the interviews of this research: “We need to oppose decisively to the tactical implementation of casinos and special economic projects under the title of development. If they really want to carry out development, they should do investments only in formal business. Such projects like this Shwe Kokko Project does not fit our Karen social norms and it causes other issues like narcotic drugs, human trafficking and so on, and affects the peace and stability of our region.”<sup>22</sup>

Further, one of the leaders from one of the leading Karen political parties also responded thus: “The first point is that their project implementation has no transparency and no one knows much about it. This is unacceptable. We shouldn’t look only at physical development. In fact, we don’t accept any projects that can ruin the morale and manners of the youths and adults who are the future of our Karen people.”<sup>23</sup> Especially, it was found that, in opposing to

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22 BNI Interview 3, March 14, 2020. (Not Published)

23 BNI Interview 4, March 15, 2020. (Not Published)

the project, there have been tensions among the local people regarding the type of the project and its social impacts that may affect them. Besides, there have also been increasing concerns about the hordes of Chinese workers entering the region for the implementation of the project. There have been no official clarifications or notifications on whether those Chinese workers are legal or illegal and there have also been other social issues based on the different cultural norms and customs as a result of the entry of those multitudes of people. Further, the report issued by the KPSN also described that the illegal immigrant Chinese workers have also been illegally involved in other types of businesses.



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The social issues are difficult to resolve even in the situations and in the regions with a stable political environment and stable living standard. By the nature of social issues, the answers for the issues differ from one another and there are also no specifications on how they must be settled. Specifically, if the social issues arise in the areas of the Shwe Kokko “New Town” Project, it is sure that more serious situations and more complex and hard-to-resolve issues will occur. Those social issues typically change in various ways and are likely to threaten the value standards and the national identities of Karen communities. In addition, they can affect the stability and peace of Karen region. If the Tatmadaw (Burma military) conducts military operations for their territorial expansions because of those issues, they will have impacts on the current peace process and ceasefire matters.

## The local people's access to job opportunities

From the period of commencing the implementation of the Shwe Kokko “New Town” Project eventually to the present time when the project has been temporarily suspended because of the initial investigation of the Karen State government and then of the finding that the companies involved have violated the terms and conditions of the project implementation, the words that have been repeatedly said by the project implementing individuals are the local people's access to job opportunities. When analysis was made regarding those incentives, no accurate numerical data on how many of the local people approximately have got jobs have never been found. Additionally, it was learnt from the local people that, throughout the whole period since the commencement of the project till the time when the project had to be suspended, the project was implemented by using only Chinese workers.

In one of the interviews conducted for this research, one of the local people said thus: “In the very beginning when land confiscation was made, they claimed that we'd get jobs. Also, they said, we can work for the project even if we no longer have our own farmland. But in reality, as we didn't have our own farmlands any longer, we had to go and work in Thailand. Our family members also got separated from one another. Currently, when we come back home, we normally find many newcomers. So, I'm very worried about my family.”<sup>24</sup>

Additionally, one of the leaders from one of the CBOs in Karen State said, “Even if we can get jobs in this “new town” where casinos will be set up, those jobs won't benefit the region and the local people. Moreover, we'll perhaps be faced with worse conditions. Look at the current situation! They said the local people would get jobs but now only Chinese migrant workers had been involved in all the project implementations from the beginning to the end. Even the things they use are not Burma-made. So, how can we trust their words that the local people will get jobs.”<sup>25</sup>

It was learnt that there have been many local people who have been living with the hope of getting new jobs after they had lost all their farmlands because of the project. However, it was also known that when the project was actually implemented, only Chinese migrant workers were being used in the constructions

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24 BNI Interview (5), 27 February 2020. (Not Published)

25 BNI Interview (6), 4 March 2020. (Not Published)

instead of the local people. Further, many CBOs have pointed out that job availabilities for the local people on the completion of the project will only be the jobs for which no skills were required. <sup>26</sup>

Most of the developing countries have to rely on foreign investments for financial capital in order to recover their economy. Particularly, most of the multi-national corporations and large businesses also make investments based on the availability of low-paid workers in the developing countries. In such situations, it is hard to claim that every foreign investment can bring about the economic development of a specific country or region. In particular, it is



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essential to ensure that such foreign investments provide job opportunities for the local people and also there are other benefits such as the technological transferability to small enterprises within the country.

However, it is difficult to call this Shwe Kokko “New Town” Project as a typical foreign investment. This is because it is an unconventional investment-related business and also because the project area is too remote to get access to administrative power. It was found that in these situations, it is hard to believe that the local people will be able to get jobs and raise their living standard because of the project.

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<sup>26</sup> Karen Peace Support Network, “Gambling Away Our Land”, 26 March 2020.

### 3. Conclusion

In this final part of the research, the research will be approached from three perspectives – political, economic and social – and the research team will try to respond to the research questions mentioned in the beginning. Specifically, the research areas the team attempted to investigate were considered on the basis of the three areas: the peace process, the development project and the public. When considering those research areas, the team members make efforts to respond to the research questions that they want to explore regarding Shwe Kokko Project as a specialized study process based on the idea that political and economic processes affect the society in various ways.

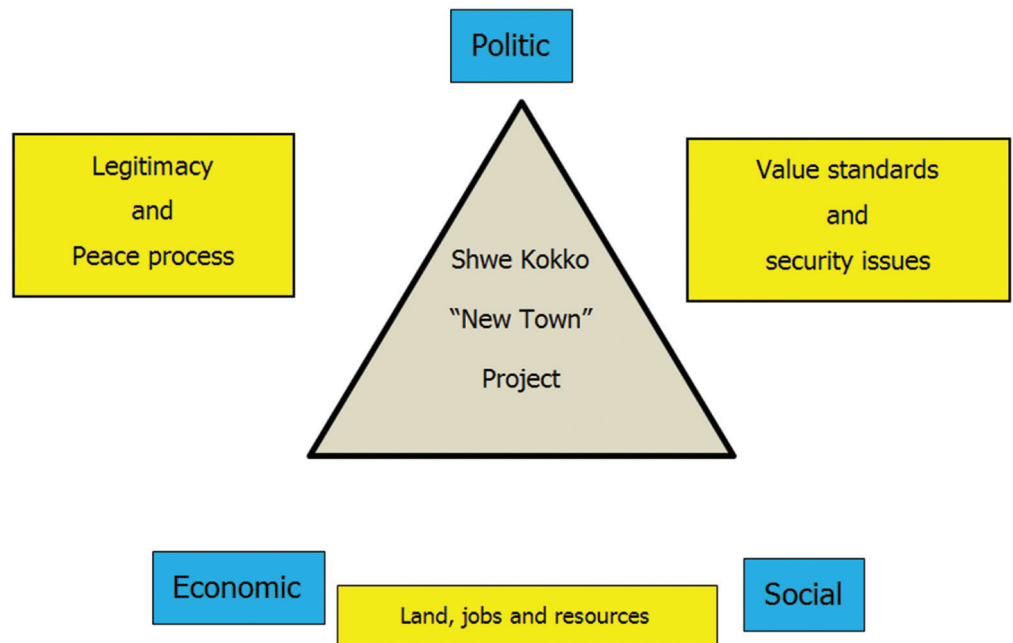


Figure 2: Analytical Triangle on Shwe Kokko Project

First, as regards the project, political and economic processes exist as an unconventional situation and are related to nation building in the form of peace process. In addition, during the time when peace process involving discussions based on the basic principles of ethnic equality and autonomy has not yet been settled, such a controversial project like Shwe Kokko Project affects the peace process as other forms of problems despite the fact that the project has no direct impact on it. Especially, the relation between the issue of political legitimacy and peace process to utilize the available resources in the Karen’s region is the largest. This issue is controversial not only in the Shwe Kokko “New Town” Project area that this research focuses on, but also in the other border areas of Karen State as well as for the projects implementing in other ethnic areas.

Second, the greatest issues in economic and social processes are the ones that exist between the livelihood of the people and the necessary resources for the project. These issues become more serious social issues in the context where it is too remote to get access to the protection of the law, thus threatening to social harmony. Since the allocation of resources has not been carried out in a proper way, it has affected the vocations and livelihood of the local people. Further, this is not a condition that the market balances the situations as in normal cases, thus resulting in the emergence of undesirable social problems.

Finally, the impact of issues related to Shwe Kokko Project has been tremendous and influence the community's value standards between political and social processes. These issues include not only the economic ones related to resource allocation but also those arising from the clashes between value standards and the culture. Hence, it is impossible to cope with those issues from the economic perspective only. Further, they will be threatening the security of the local people in various ways. Particularly in the society where there is no social harmony with an unstable political process, those issues can become much larger than expected. Accordingly, it is probable that they will have a huge impact on the peace dialogues which is one of the factors involved in the peace process.

In conclusion, during the periods when the peace process cannot be settled yet, the enormous developmental projects in those areas may lead to economic issues as well as political and social ones exponentially. Lessons should be taken from the negative political, economic and social consequences of the ceasefire attempts made following the years of 1989-90. Additionally, it was found that the economic gains go only to the individuals implementing the project rather than to the local people.

Further, lack of access or inaccessibility of law and justice also exacerbates the problems. Therefore, based on the present research, it is suggested that accurate policies should be formulated and implemented only after the relations among the peace process, the development projects and the public has been identified and studied from the different perspectives such as political, economic, social and so on. Conclusion is made by suggesting that it should be kept in mind that if such an action is not taken care, other development projects implementing with the aim of benefiting the peace process can hamper that process.