Dawei Port: Thailand’s Megaproject in Burma
By Pavin Chachavalpongpun

If the political process under way in Burma genuinely heralds the end of the country’s long torpor under military rule, the opening of the economy is a key factor.

In that context, the role of Thailand in the massive Dawei deep-water port project is crucial, writes Pavin Chachavalpongpun. He examines the potential political and economic impact of Dawei on Burma’s future.

UNDER A NEW “CIVILIANIZED” regime installed after the elections of Nov. 7, 2010, the first in 20 years, Burma is in the process of reinventing itself. While critics condemned the elections as a farce designed to keep the Burmese generals in power, many friends of Burma have since rushed to celebrate a political transition that has seen some modest opening, the release of Aung San Suu Kyi from house arrest and more open discussions in the media.

With the opening, the country’s neighbors, particularly those in the Association of Southeast Asian Nations (ASEAN), plus China and India, now perceive the new government in Naypyidaw as “lawful” and feel ever more comfortable in engaging with it. For the time being, the priority of the new regime is still to consolidate its position in the face of a weakened opposition. Equally important is its compulsion to complement the ongoing political process by opening up the country economically by aggressively promoting foreign trade and direct investment.

In other words, Burma appears to be transforming itself from an old socialist state into a modern market-oriented nation. Accordingly, the Burmese government has given a green light to a huge port and industrial estate development in Dawei, for which the Italian-Thai Development Public Company Limited (ITD) is a major contractor. The first-phase contract for the 10-year project is worth an estimated $8.6 billion. All in all, the entire project could be worth US$58 billion or more. The role of Thailand in Burma’s transition is therefore crucial.

This short essay explores the Dawei deep-sea port project. It argues that the Dawei port project can be used to further legitimize Burma’s new regime and its embrace of capitalism and regional integration. The study seeks to elaborate the context of the project and the main players, particularly Thailand. From a geopolitical perspective, Burma’s opening has inevitably intensified competition among its key trading partners, most of whom are eager to reinforce their political and economic position in Burma now that a more open system allows them to do so more conveniently and justifiably.

IS THE CHANGE REAL?
Burma’s self-styled political transition has divided world opinion. On the one hand, many observers see the change as just another chapter in a long history of military-dominated politics. Because the new political structure facilitates the staying power of the military, they are convinced that there will be no real democratization, and thus little hope for national reconciliation.

Most countries in the West have retained this skeptical attitude, which helps prolong decades-old sanctions vis-à-vis the Burmese regime, although the groundbreaking visit to the country by US Secretary of State Hillary Clinton in December 2011 and her words encouraging dialogue may indicate a major thaw in this attitude.

On the other side, some see the possibility of real change, no matter how slight, in the current regime. For them — and this includes even pro-democracy voices within ASEAN — it is imperative to be realistic about what to expect from Burma’s return to a form of elected parliamentary government masteredmind by the military with fixed military representation in the various assemblies. While critics may call the transition “old wine in a new bottle,” optimists perceive it as a widening of the political space that may result in the military gradually losing its absolute control.

Arguing from a more positive standpoint, Burma scholar David Steinberg has stated that the new system could allow for greater debate, compromise and even some independent decision-making on the part of the civilian government. The suspension of construction on the China-backed Myitsone dam project in late September may be one example of the government responding to public pressure. The dam on the northern reaches of the Irrawaddy River had been heavily criticized inside Burma on environmental and political grounds.

Moreover, a less rigid political atmosphere may allow representatives of ethnic minorities in the Burmese parliament to take advantage of the transition to do something for their own communities, for example by restoring certain ethnic cultures and practices that were suppressed during the junta years.

It is true that economic growth often unleashes new contesting forces in the context of democratization, in particular, the rise of a middle class that expects to become involved in politics. However, in the case of Burma, economic growth appears to have been, at least so far, generating only limited contestation. The SPDC was the official name of Burma’s military regime which seized power in 1988.

growth could also lead to legitimizing the government and reducing popular grievances—both of which are conditions favorable for both stability and continued authoritarian rule. In other words, countries subject to continued, stable and considerable increases in economic well being are more likely to sustain their present regimes. Muthiah Alagappa asserts that the desire for economic stability tends to support authoritarianism. On this basis, the new regime in Naypyidaw takes on the challenge of improving economic growth so as to maintain its own stability and legitimacy. The regime is now backing changes in economic policy, improvements in social equity and opportunities for the Burmese to exercise more choice in everyday life. There are indeed some signs of more economic freedom. The Dawei project showcases a significant change in that direction.

THE DAWEI PROJECT

Dawei is the “capital” of the Tanintharyi Division, the southernmost administrative region of Burma. After independence in 1948, the city became a part of the Tenasserim Division, which also included what is Mon State today. In 1974, the Mon State was carved out of Tenasserim, and Dawei became the capital of the truncated division. In 1989, the city’s anglicized name was changed from Tavoy to Dawei; and Tenasserim became Tanintharyi. (The English name of the country was changed from Burma to Myanmar the same year, although the political opposition and many people outside the country have refused to recognize the name Myanmar as a symbolic act of protest against the military regime.) Gustaaf Houtman explains the change of many colonial-era English names as part of a top-down program of political and cultural reform by the military.5

The Dawei district covers a total area of 13,750 square kilometers and consists of four townships, namely, Thayet Chaung, Yephu, Longlon, and Dawei. The Tanintharyi Division occupies a long narrow coastal plain bounded by the Andaman Sea on the east, which runs to Kawthaung, the most southerly point of Burma and which then continues to the Malay Peninsula. Dawei is strategically located and adjacent to the estuary of a major waterway, the Dawei River, which is surrounded by the Tenasserim Hills and monsoon forests. More importantly, Dawei has the deepsea draught suitable for the construction of a large commercial port.

Recognizing Dawei’s economic potential, the Burmese government began exploring the possibility of turning the once-small fishing village into an industrial zone. The initiative behind building a deep sea port in Dawei first emerged in 2008, although the original idea of finding alternative routes to the Malacca Strait had been mooted a decade earlier by Thailand. During a special meeting of ASEAN Foreign Ministers held in Singapore on May 19, 2008, the Thai and Burmese foreign ministers signed a memorandum of understanding (MOU) on the development of the Dawei deep-sea port project. The two countries agreed to construct the port, establish alternative routes to the Malacca Strait and to set up the Dawei-Kanchanaburi border crossing.6

The signing of the MOU permitted the Burmese junta to claim legitimacy while explaining that the motive for the project was to connect Burma’s economy with the region. During a visit by former Thai Prime Minister Abhisit Vejjajiva to Naypyidaw in October 2010, Premier (now President) General Thein Sein told the media that Thailand and Burma were developing the port as a way to improve economic growth and bring better living conditions to the local people.7 Meanwhile, Thailand played its part as Burma’s mouthpiece in legitimizing the Dawei project. Abhisit stressed the need to assist Thailand’s poorer neighbors.8 Abhisit’s policy echoed the
Thaksin Shinawatra administration (2001-2006), when Thailand sought to exploit neighboring markets for Thai benefit.9

Premchai Karnasuta, chairman of ITD, went a step further when he invited developed countries to take part in the massive project. “Developed countries with trade sanctions on Burma may lift their bans. The sanctions that have lasted over two decades only serve to make the locals poor,” he said.10 At the same time, there have been attempts to justify the Dawei investment in the context of boosting the region’s economic growth. Thailand’s National Economic and Social Development Board (NESDB) pronounced that the port fitted in well with Greater Mekong sub-region schemes for developing economic trade routes, including the East-West Economic Corridor, the Southern Economic Corridor, and the North-South Economic Corridor.11 A senior official from Burma’s Federation of Chambers of Commerce and Industry reportedly remarked, “This project will profit traders from Burma and Thailand. Because of the link to the ASEAN high-way system, Burma’s raw materials can flow to regional markets smoothly and quickly.”12 The Dawei project has also been touted as an effective link within the region corresponding to the plan for greater “ASEAN Connectivity.”13

WAKE UP, SLEEPY DAWEI

On Nov. 2, 2010, Anan Amarpala, the vice president of ITD, signed a 60-year Framework Agreement with Burma’s Port Authority to build a port and industrial estate at Dawei on 250 square kilometers of land. The ceremony was attended by the junta’s Secretary-1, retired General Tin Aung San Suu Kyi, and Tin Oo. ITD will develop this mega-project through its wholly-owned subsidiary, Dawei Development Company (DDC), with $100 million in registered capital. The $8.6 billion project is the first Special Economic Zone (SEZ) in Burma.

Both Burma and Thailand have been inviting foreign companies to partake in the Dawei project. For Burma, the invitation symbolizes both a more relaxed economic policy and a bold move against Western sanctions. Indeed, the project will likely emasculate any remaining sanctions as Burma offers concessions to its wealthier neighbors in exchange for the legitimization of its regime.

The agreement outlines three phases of development. The first comprises major infrastructure and will be developed from 2010 to 2015 through a joint venture between ITD and four other companies: PTT Public Company Limited, Nippon Steel, Electricity Generating Authority of Thailand (EGAT), and Malaysia’s Petroleum National Berhad (Petronas).14 The most important project is the construction of a 160-kilometer eight-lane highway and rail link that will connect Dawei with the Thai border. The highway, also known as the Westgate Landbridge project, will take approximately four years to complete and cost $66 million. In April 2011, ITD completed the first step, a cross-border road from Dawei to Phu Nam Ron in Kanchanaburi province to prepare for transporting materials to the construction site.15 Oil and natural gas pipelines are also being laid parallel to the road and railway. Eventually, the Landbridge Project will be extended through the Greater Mekong sub-regional southern corridor to Vung Tau and Quy Nhon in Vietnam via Siophon in Cambodia, and Bangkok.

The second phase will be the construction of the Dawei port. A total of 25 vessels ranging from 20,000 to 50,000 metric tons will be able to berth at 22 wharfs simultaneously in two adjacent ports; together they will be capable of handling 100 million metric tons of goods a year. The last phase will be to set up an industrial estate, likely to be the largest in Southeast Asia, costing up to $1.3 billion, and encompassing six zones: port and heavy industry; oil and gas; upstream petrochemical; downstream petrochemical; medium and light industry. Policymakers in Burma are now drafting regulations to make Dawei a free-trade zone. The ITD has also proposed to construct a 4,000 megawatt power station to supplement the unreliable local electricity supply. The power generating scheme will include a dam with a maximum storage of 219 million cubic meters of water and a purifying plant that will provide 975,000 cubic meters of water a day. The Dawei estate is to attract industries from 2016 onwards. Alongside the industrial village, there will also be residential and commercial developments, a tourist resort and a recreation complex.

The development thus also aims to boost the tourism industry in the region, especially the Mergui Archipelago. The ITD plans to extend the reach of the project by 500 kilometers to pristine islands in the south that are already famous for their white sand beaches, crystal-clear water and abundant marine life. After the completion of all three phases, Dawei could emerge as a trading hub linking Southeast Asia with the Indian Ocean, the Middle East, Europe and Africa, spurting growth in the entire ASEAN region.16 Dawei can easily eclipse other nearby industrial estates — for example, it will be ten times bigger than Thailand’s key port and industrial zone at Laem Chabang in Chonburi Province.

AN INVITATION TO THE DAWEI BUFFET

Both Burma and Thailand have been inviting foreign companies to partake in the Dawei project. For Burma, the invitation symbolizes both a more relaxed economic policy and a bold move against Western sanctions. Indeed, the project will likely emasculate any remaining sanctions as Burma offers concessions to its wealthier neighbors in exchange for the legitimization of its regime.

For Thailand, Dawei will serve both the national interest and the private sector. There is nothing new in Thailand downplaying democratic development in Burma for the sake of Thai economic benefit. The Chatichai Choonhavan government (1988-1991) reinvented Burma as Thailand’s new marketplace even while the Burmese regime was brutally cracking down on pro-democracy forces.17 A decade later, the...
Thaksin administration brushed aside the issue of political reforms and human rights as he traded with the Burmese junta. In 2010, Abhisit followed the same course in the name of bringing change and prosperity to the impoverished nation. New Thai Premier Yingluck Shinawatra, Thaksin’s youngest sister, quickly reached out to Burma after she took office in August. Aung San Suu Kyi even congratulated her.

The Thai government has worked closely with ITD in ensuring Thailand’s long-term gains from the Dawei project. The broad nature of the project has great potential for investors, both from Thailand and the region. The stage has been set. Lucrative deals are on offer. The “all-you-can-eat Dawei buffet” is now up for ravenous investors.

CHINA, JAPAN AND INDIA

Of course, ITD is not an investment corporation, but a development company. It therefore has allocated projects to investment companies. In other words, Thailand does not own the entire Dawei project. This, to a large extent, has intensified the degree of competition among Burma’s other neighbors to invest in the many business opportunities made available by the ITD. So far, there has been keen interest from key Asian powers in the seaport. China has always expressed its enthusiasm for a physical connection with southern Burma as an alternative route to the sea. In the past, China has been successful in entrenching its business presence and influence in several northern cities in Burma. The yuan is widely accepted in many parts of the north. But China’s real security interest is gaining land access to the Indian Ocean.

Tuli Sinha argues that Burma’s location south-west of China holds strategic importance for the People’s Liberation Army Navy (PLAN) in terms of the Indian Ocean. The PLAN would be able to shorten the distance it travels to the Bay of Bengal by 3,000 kilometers by avoiding the Strait of Malacca. Even though there was no Chinese investment in the first phase of construction (the road and railway from Dawei to Kanchanaburi), China has kept a watchful eye on the ongoing development for two main reasons. First, China has recently revealed its own plan to build a rail link from Yunnan to Dawei to reach the Indian Ocean. The plan stands alongside China’s other project of constructing a land route from Kunming to Kyaukpyu, another deep-sea port on Burma’s west coast. Kyaukpyu serves as a gateway for China to connect with Burma’s Sittwe through Mandalay. The overall road link between Burma and China under study is outlined as Kunming–Mandalay–Kyaukpyu–Sittwe. Beijing has also planned to build a port on Maday Island, in the vicinity of Kyaukpyu, as a transit center for goods destined for India, Bangladesh and southern Burma. China and Burma signed an MOU in May 2010 on co-operation in developing the proposed land route.

Second, the Chinese government has also initiated the idea of setting up a $1.5 billion “China City Free Trade Center” in Bangkok. This would greatly complement the Dawei port since Chinese products traded in Bangkok will likely be exported via Dawei to the region. Taking these facts into account, Abhisit sought the support of Chinese leaders for the Dawei project on the sidelines of the G-20 meetings held in Washington DC in November 2008, encouraging Chinese companies to set up projects in the industrial estate.

Japan is another potential Dawei investor. Tokyo let it be known that it saw a role for itself in the project, particularly in financing. The level of competition between Japan and China for influence in Southeast Asia is at an all-time high, with Japan implementing a proactive foreign policy toward Southeast Asia through investment, aid and innovative support for regional integration. Fearing the loss of economic activity to China, Japan has moved quickly to secure its position in the Dawei project. From this perspective, the Sino-Japanese rivalry represents a golden opportunity for Burma to kick start the project with energetic participation from the two Asian powers.

“We are thinking about how Japan can contribute to the Dawei project. We will try to establish the bond market and stimulate the flow of money into this area,” said Hiromasa Yonekura, chairman of Nippon Keidanren, the Japan Business Federation. Japan has articulated its interest in developing the main infrastructure; including port and roads, as well as the upstream steel project, as part of its policy to promote the Greater Mekong sub-region. Indeed, Nippon Steel has already invested in the first phase of the Dawei project as one of ITD’s partners. The Japan Bank for International Co-operation (JBIC) may get involved in the development and provide capital for subsequent phases. The upbeat Japanese position emerged following a discussion between representatives of Keidanren (namely, Sumitomo, Mitsubishi, Hitachi, Toray Industries, Mizuho Financial Group and All Nippon Airways) and Abhisit, Thai Finance Minister Korn...
Chatikavanij and Commerce Minister Pornpinyo Nakasai in February 2011 in Bangkok. There is no reason to think this discussion won’t continue under Yingluck, especially given her brother’s aggres- sive interest in Burma previously.

Thailand made it clear that it wanted to col- laborate with Japan in investing in the Dawei in- frastructure project simply because it would help Thai and Japanese companies save on logistic costs when shipping to countries in the region, and it would harmonize the ASEAN Connectivity scheme. In a move to justify his country’s role in the Burmese economy in the post-election period, Yonekura emphasized, “Japan and Thailand are both donors and have a similar stance on Burma which is currently opening up for democracy.” 25 Jijji Hakuchananshi, co-chairman of the Joint Public-Private Standing Committee’s Greater Mekong Subregion Business Forum, said that Japanese firms see the Dawei port as a way to ex- tend their reach to markets in South and Central Asia as well as the Middle East. 26

India also hopes to benefit from the Dawei project. As early as 2004, India offered to con- duct a feasibility study to develop Dawei as a deep-sea port. 27 India, like China, has not yet in- vested in any of the available projects in Dawei, but realizes the economic significance of this coastal city which could give it a much quicker access to Southeast Asian markets, therefore en- hancing the ASEAN-India Free Trade Agreement (AIFTA). 28 Thailand’s earlier concerns about los- ing the rights to develop Dawei to India were un- derstandable. Since the implementation of its “Look East” policy in the early 1990s, India has ac- tively engaged in Southeast Asian affairs. Delhi’s new status as a rising power has reinforced its ambition to elevate its influence in the region, particularly in the economic sphere. For example, India has shown increasing interest in the development of Burma’s Western Sittwe port in the Arakan state. Prior to the signing of the Framework Agreement between ITD and Burma, Senior General Than Shwe, the former head of the ruling junta, paid an official visit to New Delhi in July 2010 to conclude a range of bilateral deals, from transport projects to counter-ter- rorism initiatives. It was likely that the Dawei de- development was discussed. Pressure was therefore put on Thailand to hurriedly obtain the rights to the Dawei project.

India, although democratic, has been a quick learner in this ferociously competitive economic and defense game. India is a key player in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC), which held a ministerial meeting in Burma in January. It has the potential to persuade Burma to respond to its strategic needs. In return, India has defend- ed Burma in front of the world. In the aftermath of the crackdown on pro-democracy demonstra- tors in 2007, the Indian government announced its intention to separate politics from economic interests in its relations with Burma. 29 As Burma was preparing for elections in 2010, India once again remained silent even though it fully under- stood that the election would not be free and fair. It maintained its support for the SPDC and up- held its contention that the election was an en- couraging step toward pluralism. US President Barack Obama, during his trip to New Delhi at the time of the Burma election, criticized India for shying away from condemning alleged hu- man rights abuses by the junta. “When peaceful democratic movements are suppressed, as they have been in Burma, then the democracies of the world cannot remain silent,” Obama said in an address to the Indian parliament. 30

THAILAND: A BIG WINNER
The Thai-Burmese border trade has been in- creasing at an astonishing 55 per cent, year-on- year, and was worth some $1.7 billion in 2010. Undoubtedly, the Dawei project will further aug- ment the total trade volume between the two countries in the future. As the sole contractor, ITD’s investment in Dawei is likely to transform Thailand into a major transit hub within the East- West Economic Corridor (EWEC). 31 Thailand stands to gain the most from the Dawei Project. At the national level, the Abhisit government openly supported the Dawei investment and even sought to lobby countries in the region on behalf of ITD, urging them to partake in the develop- ment project. In October 2011, Yingluck made a quick visit to Burma in which she met with President Thein Sein and expressed continued support for the Dawei project and increased co- operation with Burma, according to Burmese of- ficial news reports.

During the Thai-Burmese Joint Trade Com- mission (JTC) meeting in April 2010, the two countries set a goal of tripling bilateral trade in five years, from US$4.3 billion to US$13 billion in 2015. Thai officials announced after the JTC meet- ing that the Dawei project would allow Thailand and Burma to meet the target, and that the deep- sea port could realize Thailand’s dream of becom- ing the logistics hub of Southeast Asia. 32

Additionally, numerous production bases in western Thailand, including Kanchanaburi, Rachaburi, Petchaburi, Prachuap Kirikhan, Samutsongkhram, Samutsakon, Suphathalai, and even Bangkok will all benefit from Dawei, which would act as a gateway for Thai food products manufactured in these locations. Thailand is one of the world’s major food suppliers, and thus puts enormous effort into agro-industry; Dawei will be a distribution point.

The Thai government has promoted Dawei as part of the national interest, despite Western skep- ticism about Burma. The West is coming around to accepting that change in Burma may be real,

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26 Ibid
28 The AIFTA in goods was also concluded in May 2009 and came into force a year later. ASEAN and India are significant markets in the world economy. At the time of the AIFTA conclusion, they had a combined market of almost 1.8 billion people and a combined GDP of $2.75 trillion. While India’s total trade volume with ASEAN is not as large as China’s, its growth trajectory is equally remarkable. ASEAN reports that total India-ASEAN trade mushroomed from $2.9 billion in 1993 to $47.5 billion in 2008, while India’s share of total ASEAN trade quadrupled from 0.7 percent in 1993 to 2.8 percent in 2008, making it ASEAN’s seventh biggest trade partner.
31 The EWEC is part of a grand initiative under the Greater Mekong sub-region to connect major cities in the region, from east to west (Danang to Moulmein), in the south (Ho Chi Minh to Dawei) and from north to south (Kunming to Bangkok).
32 “The Rue Nam Luex Taiwi Jood Phu Senthong Karikha Hoengma Khong Lek.”
and with ASEAN taking the step in November at its annual summit of endorsing Burma’s chairmanship of the body in 2014, the political winds are blowing in Thailand’s favor.

The Thai private sector will also get rich from Dawei. The project could secure a firm source of revenue for ITD for at least 10 years. Potentially lucrative deals have also attracted other big conglomerates in Thailand to pour money into the project. In April 2011, Loxley Public Limited Company, Thailand’s oldest and largest trading business, sent a team to Dawei to consider the project feasibility and has expressed its interest in power transmission lines and oil and gas terminal projects. Loxley has a close relationship with ITD and the two companies previously jointly established a beer and beverage business in Laos.22 More Thai companies are now in negotiation with ITD for their prospective investments in Dawei’s subsequent development phase. This will intensify the Thai economic influence in Burma in the long term.

ASEAN: ESPRIT DE CORPS

Thailand and Burma have legitimized the Dawei investment in the context of both heightened regionalism in ASEAN and growing acceptance of the Burmese regime as “normal.” Many have perceived the Dawei project as an inevitable move that adds to existing development programs in the region, thus bringing better living conditions to the people. ASEAN apologists are quick to explain the Dawei project as part of the group’s community-building process that is to be completed in 2015. The fact that China, Japan and India all indicated their intention to partake in Dawei’s development plan is ASEAN’s testimony to the rise of a regional spirit of shared prosperity. Above all, ASEAN members want to be vindicated for their past flawed policy toward Burma; and mega-investment projects like the one in Dawei have renewed ASEAN’s upbeat attitude toward the new regime in Naypyidaw.

Not everyone agrees with ASEAN’s renewed business-led constructive engagement policy. Long-time Burmese opposition activist Khin Omar has kept up a steady drumbeat of criticism against ASEAN policy. He argued recently, “ASEAN has embraced the SPDC’s big lie, and it looks worse than silly. It looks money-hungry.”23

HOW ABOUT THE LOCAL PEOPLE?

The Burmese government hopes to tell the world that Dawei is part of the country’s exposure to modernity. In the minds of the leaders, now that the political domain has been “democratized,” the next step is to liberalize the long-stagnant economy. The message is clear: The Dawei project is “good” for the Burmese. In its edition of April 5, 2010, the official New Light of Myanmar, under the headline “Try to Improve National Economy Making Use of Infrastructures,” says: “We can see signs of significant progress even in Taninthayi Division in the far south of the Union. Dawei and Myeik have emerged as developed regions.”24

On the surface, it seems that “legitimacy” is what the former junta was striving for by kicking off the Dawei project. But at a deeper level, the local people will likely benefit only little from the project. The hardware — physical construction in Dawei — may bear a resemblance to what one sees in typical economic zones in other parts of Asia, but the software to run Dawei will definitely be the old one dictated from the top down. Skeptics have questioned whether the revenue gained from the multi-billion project in Dawei will trickle down into the people’s pockets, or end up in the generals’ bank accounts. The Irrawaddy reported that a crony of the Burmese junta, Zaw Zaw, was granted major construction work on the Dawei port. Zaw Zaw’s Max Myanmar Group of Companies reportedly got a green light from the military junta because he is a favored business associate of Than Shwe.25

The persistent practice of corruption and nepotism points to the fact that, far from being a project “for the people,” the Dawei development is being used to enrich both the military and its associates, as well as being a tool in the name of national development to earn political legitimacy.

The mega-project in Dawei will generate many job opportunities. This could be exciting news for the poor residents of Dawei. There are, however, two main questions here: First, will foreign companies recruit workers from their own countries? And second, will Burmese workers be treated fairly and ethically? In looking at Burma’s track record on workers’ rights, one could conclude that it is the unfortunate Burmese workers who have been exploited by both their own government and foreign business firms. In the meantime, the Burmese government has often displayed its irresponsibility when it comes to protecting the livelihood of locals that might be affected by large-scale construction. It was reported that two Burmese logging companies, Kaung Myat and Hein Yadanar Companies, seized about 2,500 acres of land belonging to the residents of Myatta village in Dawei where the deep-sea port will be constructed. The two companies, according to the report, plan to plant rubber in the confiscated area and supply it to factories in the future industrial zone. Moreover, the trade route from Dawei to Kanchanaburi is said to lie in some plantation zones of the Myatta residents. Thus, plantations in these areas would be destroyed.27 So far, the Burmese authorities have refused to intervene in the land confiscation cases, signaling the endorsement of such practices by the state.

Meanwhile, all eyes are also on the business practices of ITD and other foreign companies investing in the project. Some foreign companies currently doing business in Burma, such as Total Petroleum of France, Chevrons of the United States and Daewoo of South Korea, have been providing assistance for education, healthcare and business development for local residents in their operating areas. About 95 percent of their employees are from local areas. Nay Zin Latt argues that investors from strong civil society countries usually consider the welfare of local residents, since they are controlled by rules and discipline. In countries with a weak civil society, the responsible authorities face difficulties of their own. Hence, investments from countries with strong civil society sectors and responsible companies should be more welcome than others.28 In principle, the companies have to take responsibility to avoid negative social and environmental impacts. Thailand has a history of weak civil society and it remains to be seen if ITD, and all of its business cohorts, will purely seek profits with little regard for their responsibilities.

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