



## Japanese Government Plan for Development of Southeast Burma: A briefing by the Karen Environmental and Social Action Network

February 19, 2014

Japan's international aid agency has recently released a detailed framework for the future development of southeast Burma. This brief analysis summarizes the main content of the report, and raises concerns about the process of the study and its underlying assumptions.

### What is the Study?

Dated October 2013, the 593-page *Preparatory Survey for the Integrated Regional Development for Ethnic Minorities in the South-East Myanmar*

- surveys the current environmental, economic, social, and infrastructure conditions in both Mon and Karen states
- outlines the Myanmar government's current development policies and plans
- proposes development directions, projects, and measures for the return and settlement of refugees and IDPs

### Who was involved in the Study?

The Japanese government's international aid agency (Japan International Cooperation Agency-JICA) made a contract with three Japanese consulting firms as a JICA's study team. The JICA's study team worked with the Mon and Karen state governments and Burma's Ministry of Border Affairs, especially Progress of Border Areas and National Races Department. The study team also consulted the Myanmar Peace Center, the Karen National Union, the New Mon State Party, and the Democratic Karen Buddhist Army.

### Who was *not* involved in the Study?

The Study is based mainly on existing government data; only limited field surveys were conducted and no public forums were held. The study team held discussions with various "stakeholders." There is no detailed list of stakeholders included in the report.

### Why does the Study focus on Southeast Burma?

Being strategically located for market access with plenty of natural resources, the region will attract foreign investment, particularly when refugees return and provide a cheap labor pool.

### How does the Study propose to "develop" Southeast Burma?

The Study says the following four components are "necessary to realize the development potential of Southeast Myanmar." These and other measures should be implemented on a zone-by-basis, beginning with government-controlled zones first.

**Economic Corridors:** The upgrade and expansion of 1) several roads to increase access from Thailand to Moulmein and to link to a new port proposed at Kyaikkhami in Mon State; and 2)

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additional roads to create domestic market corridors and to access planned refugee settlement sites in border areas.

**Free Trade Zones and Industrial Estates:** Establishment of 1) free trade zones, where companies can set up factories at low cost and take advantage of Burma’s cheap labor; and 2) “industrial estates” for the processing of plastics and other materials.

**Industrial Clusters:** Development of support industries to add value to agricultural products such as rubber, cashews, bamboo, wood, and herbal medicines.

**Urban development:** Building up the cities of Moulmein, Hpaan, and Myawaddy as links to the regional and global economy and as centers of service provision.

**What does the Study propose for the return of refugees and IDPs?**

JICA proposes to support 1) the development of four settlement sites; 2) access roads to the sites; and 3) an information center where refugees and IDPs can learn about conditions in the sites and job opportunities.

**What is the role of community based organizations?**

The Study acknowledges the quality and role of Karen health and education services provided by community-based organizations in border areas. It recommends close coordination between these organizations and government agencies for efficient provision of services. Yet, there is no similar recommendation for Mon managed services or for other sectors, such as agriculture, environment, and community development.

**How does the Study fit in to the peace process?**

The Study proposes “to promote peace through development” and encourages development activities to be conducted “in parallel” with political dialogues.

**Underlying assumptions of the Study**

- Existing government structures are adequate to begin major development projects
- Working primarily with the central government to decide and implement development projects is the most effective approach
- The government's “de-centralization” plan will be accepted by all stakeholders and will enable “bottom up” development
- The provision of minimum living standards will attract IDPs into settlement sites and once IDPs settle, refugees will also return

**What’s missing in the Study?**

The Study fails to:

- acknowledge the lack of representation in current government structures
- analyze administrative, financial, and political inadequacies of the state and local governments

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- analyze the long-standing conflict and its enduring consequences
- build on existing local capacity and agency, particularly in terms of self-reliance and sustainable management of resources
- recognize the significance of the region's rich biodiversity and the ongoing local environmental protection initiatives
- provide mechanisms for the protection of ethnic rights and interests in the process of “national integration”
- include benchmarks or indicators of success (conditions for advancing plans)

**Questions**

- Will control of development decision-making and planning by the central government yield the best outcomes for lasting peace and economic prosperity?
- What will be the process for input from local people, particularly now that the Study has set a framework for development of the region and a series of projects has been set in motion?
- How will JICA achieve genuine buy-in for its projects without such a process?
- What political conditions are necessary to advance the plans set forth in the JICA study, i.e. how does JICA envision political progress? Why was this not included in the JICA problem structure analysis?
- How will JICA prevent exacerbating the vulnerabilities of under-represented groups, for example women?
- How will JICA prevent exacerbating and increasing the epidemic of farm land confiscation to make way for the new roads and special economic zones?

**What are the next steps for JICA and Japanese companies?**

Based on the Study, JICA has already begun, in February 2014, "master planning for full scale integrated regional development and the return and settlement of refugees and IDPs," including pilot implementation of “urgent measures;” conduct a feasibility study of the Kyaikkhami port; and implement the Hpayarthonesu-Thanbyuzayat road project.

According to the Study, Japanese companies are encouraged to be involved in the development plans: “the study should contribute to promotion of private investments by Japanese enterprises....specific plans and projects promoted by Japanese firms will be reviewed in light of regional development of the Southeast Myanmar and incorporated in proposals...”

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