

Region-Specific Conflict Analysis



Rakhine

In this section:

- A. Regional Context
- B. Conflict Dynamics
- C. Key Human Rights Implications for the O&G Sector

A. Regional Context

Rakhine State is located in the western part of Myanmar, with a long coastline on the Bay of Bengal to the west, and a shorter border with Bangladesh to the north. The state is separated from the rest of Myanmar by the Rakhine Yoma, a mountain range running north-south and rising to 3,000m at its highest point. Only three roads cross these mountains, the main one being Magway to Ann, then Pyay to Toungup to the south, then Yegyi to Gwa, in the far south. The state is divided into four districts, with a total of 17 townships.

The population of around 3.3 million is made up of a majority Rakhine Buddhists, and a significant minority (estimated at 30+ per cent) of Muslims. In some areas, particularly northern Rakhine State, there is a large majority of Muslims; in some other areas there is a reasonably large Chin minority. Apart from the capital Sittwe, the population of the rest of the state is overwhelmingly rural. It is one of the poorest states/regions of the country, along with Chin State.

B. Conflict Dynamics

Rakhine State has been little affected by armed conflict in recent decades. There are a number of Rakhine armed groups, but these are very small, and most of them are not based in Rakhine State, but rather in Kachin or Kayin states, where they have fought alongside larger armed groups. The Arakan Liberation Party (or Rakhine State Liberation Party) concluded a ceasefire in April 2012 and has a liaison office in Kyauktaw township. There have also been Muslim (Mujahid) armed groups operating in the state in the past – most recently the Rohingya Solidarity Organisation, formed in 1982. However, this group has no camps on Myanmar territory and is mostly defunct as an armed force, although some recent deadly attacks on Myanmar border police have been blamed on the group.

Over the years, there have been serious intercommunal tensions and violence. In 1977 and again in 1991 there were major exoduses of Rohingya Muslims from northern parts of the state into Bangladesh, as a result of intercommunal clashes and abuses by state security forces. Most of the 250,000 who fled were subsequently repatriated under UN

auspices, but there were no real efforts at reintegration, and the majority have no citizenship papers and are registered as “foreign residents” with fewer rights. For over 20 years credible international organisations have reported on human rights violations against the Rohingya, including forced labour, forcible displacement, restrictions on marriage and freedom of movement, as well as the more recent violence against them.⁴⁶⁰ Moreover successive UN Special Rapporteurs on the situation of human rights in Myanmar have expressed concerns about such violations against the Rohingya.⁴⁶¹

A new round of deadly violence erupted across much of the state in 2012. This has mainly been anti-Muslim violence by Buddhist mobs, although in northern Rakhine State where the Muslim population is in a large majority, there has also been Muslim-on-Buddhist violence. There has been a long history of intercommunal violence dating back to colonial times. However, the most recent manifestation has been among the most intense and sustained and is partly linked to the new political realities and the competition for political power in Rakhine State. Under the military regimes of the past, the Rakhine minority was seen as a threat and systematically sidelined, and so there was effectively no political power to compete for.

Currently, there are 143,000 internally displaced persons in Rakhine State, many living in very poor conditions; the large majority are in Sittwe township. Other Muslim populations are vulnerable due to loss of jobs, compounded by longstanding restrictions on movement that prevent them travelling in search of work. Access to vulnerable populations for humanitarian organisations is a major challenge, with local Rakhine communities accusing them of pro-Muslim bias, and often intimidating humanitarian workers and blocking access to Muslim communities; in March 2014, there were attacks on the homes and offices of aid agencies in Sittwe, leading to the temporary evacuation of their staff out of Rakhine State.

C. Key Human Rights Implications for the O&G Sector

- **Consultation:** Consultations with all communities prior to, during and after the E(S)IA process will be challenging in areas with a Muslim population (much of the State), due to anti-Muslim sentiment, inter-communal tensions, and difficulty of access due to displacement of Muslim populations. Consultations themselves could present a risk of increasing tensions or prompting violence if Rakhine communities object to consultation with Muslim communities, or if they (mis-)perceive those consultations as being a prelude to assistance projects. Companies should also seek to consult with humanitarian organisations operating in the State, including UN agencies, about such risks.

⁴⁶⁰ See for example Amnesty International, “[Myanmar: The Rohingya Minority: Fundamental Rights Denied](#)”, Index number ASA 16/005/204 (May 2004). Human Rights Watch, “[All you can do is pray: Crimes Against Humanity and Ethnic Cleansing of Rohingya Muslims in Burma’s Arakan State](#)” (April 2013) and International Crisis Group, “[The Dark Side of Transition: Violence Against Muslims in Myanmar](#)” (Oct. 2013).

⁴⁶¹ Office of the High Commissioner for Human Rights, “[Myanmar: Build on achievements and reach for democracy’, Outgoing Special Rapporteur](#)” (30 May 2014).

- **Security risks:** There exist potential security risks to expatriate O&G staff in Rakhine State given current anger/protests directed towards international aid workers, and with the possibility that O&G staff may be mistaken for aid workers.
- **Fisher-people:** O&G companies need to be aware of possible disruption to fishing communities as a result of seismic work. Offshore fishing has previously been mostly conducted by Muslim fishermen, but now that many have been displaced or confined to camps and are unable to fish, Rakhine fishermen are starting to take their place. Companies need to be aware of this dynamic in the context of consultations and compensation. Maritime security is likely to be provided by the Myanmar Navy, and companies should be aware of the possibility of discrimination against Muslim fishermen.
- **Non-discrimination in the workplace & local procurement:** Discrimination against Muslims will make it very challenging for companies to achieve non-discrimination in hiring and promotion, whether hiring is done directly or through third party agencies. There will be similar challenges to ensuring that local procurement benefits all communities equitably.
- **Workplace tensions:** Tensions between Buddhists (Rakhine or Bamar) and Muslims, and between Bamar and Rakhine, which will have to be managed and addressed.
- **Persons fleeing violence:** There are frequent people-smuggling boats carrying Rohingya Muslims that depart from northern Rakhine State and nearby parts of Bangladesh, mostly heading for southern Thailand and Malaysia. O&G companies conducting off-shore activities may therefore come into contact with these boats, many of which are unseaworthy and with unreliable engines. Companies will need to develop policies for dealing with boats in distress, taking into account their illegal status, the fact that neither Myanmar nor Bangladesh may recognise the occupants as having legal status in their countries, and possible abuse at the hands of the authorities, including maritime security forces.
- **Interactions with the Myanmar military:** O&G companies need to be cognisant of the fact that Myanmar security forces – particularly the police, but also the military – have in some cases been complicit in incidents of anti-Muslim violence. Training and other interventions will be required to mitigate the risks of this occurring in the context or in the vicinity of company operations.
- **Benefits sharing:** As one of the poorest parts of Myanmar, but with considerable natural resources and economic potential, there are strong grievances in Rakhine State about economic exclusion. This means that in addition to the debates taking place across Myanmar about more local benefit from extractive industry projects and appropriate compensation for the impact of these projects, there are deeper grievances that Rakhine State has not benefitted from its natural resources. This means that O&G companies will likely come under strong local scrutiny not only over the negative impacts and benefits that their operations bring to local communities, but also over the extent to which the major revenues that their projects are bringing to the central Government are being equitably shared with Rakhine State. Even if O&G companies have limited influence over such policy decisions by the central Government, they will inevitably be impacted by such debates, particularly so in Rakhine State.

Part 6.2

Tanintharyi & Mon

In this section:

- A. Regional Context
- B. Conflict Dynamics
- C. Key Human Rights Implications for the O&G Sector

A. Regional Context

Mon State and Tanintharyi Region together form the coastal strip of Myanmar along the Gulf of Martaban and Andaman Sea; the Mergui Archipelago, which forms part of southern Tanintharyi, consists of more than 800 islands. Tanintharyi Region, and a small part of Mon State border Thailand. The border with Thailand is formed by the Tenasserim Hills, rising to 2,000m at their highest point. There is one north-south road running along the coast from Mon State down to the southern tip of Tanintharyi Region. Mon State is divided into two districts, with a total of 10 townships; Tanintharyi Region is divided into three districts, with 10 townships.

The Yadanar and Yetagun gas pipelines converge offshore from Yebyu township in northern Tanintharyi, then cross the township to Thailand as a single pipeline. There is a controversial tin mine, the Heinda mine east of Dawei, which is currently the subject of a domestic law suit by communities affected by pollution and waste from the mine. There is also a proposed major port and industrial complex near Dawei, which is currently in the planning stage and has been delayed by lack of financing and change in developer. This project faces considerable resistance locally, as a result of concerns over potential environmental issues and land expropriations. There is also a planned port/power station/oil refinery planned at Launglon township near Dawei that is facing local resistance for similar reasons. Finally, environmental groups and local communities are concerned about plans for a large coal-fired power station in Ye township.

The population of Mon State is around 2.1 million (23 per cent urban); the state capital Mawlamyine is one of Myanmar's largest cities. Tanintharyi region has a population of around 1.4 million (34 per cent urban). The majority of the population in Mon State are the Mon, who are predominantly Buddhist, along with minority Burman and Karen populations. There is a fairly large minority Muslim population, particularly in Mawlamyine, which is also a stronghold of the Buddhist-nationalist (and anti-Muslim) 969 movement. In Tanintharyi Region, the majority of the population are Burman (of the Tavoyan ethnolinguistic sub-group), with a number of other small minority populations. Mon State has a relatively low poverty incidence of 16 per cent (compared with a national average of 26 per cent); Tanintharyi Region is poorer, at 33 per cent.

B. Conflict Dynamics

Both Mon and Tanintharyi have been mired in conflict for decades. The two largest ethnic armed groups in the area are the Karen National Union (KNU) and the New Mon State Party (NMSP), both of which have ceasefires with the Government. There are in addition a plethora of smaller armed groups and factions, some with ceasefires, some not, and armed criminal gangs.

The NMSP controls a number of ceasefire zones in Mon State, and straddling the border with Kayin State and into northern parts of Yebyu township in Tanintharyi Region. The KNU operates in parts of Mon State (the north-east and south-east) and in large parts of Tanintharyi Region, in the mountains to the east of the car road. There is significant insecurity in the areas east of the car road in Tanintharyi's Yebyu township, due to the presence of armed Mon bandits. A Mon splinter group also operates around Lenya in Bokpyin township, in the far south of Tanintharyi Region. These groups and other ethnic armed groups and criminal gangs conduct piracy operations in the archipelago. These are mostly focussed on 'taxing' legal and illegal Thai fishing trawlers operating in Myanmar waters, but some may engage in other opportunistic piracy. In addition, pockets of insecurity and risk of banditry can occur across the more isolated areas of Tanintharyi and Mon.

C. Key Human Rights Implications for the O&G Sector

- **Interactions with the Myanmar military:** Due to the legacy of armed conflict in this area, and occasional clashes still occurring, O&G companies will have to be particularly sensitive of the risks of rights abuses being committed by the Myanmar military near to their areas of operations or more directly linked to provision of security for companies – including in the context of any security provided for the conduct of community consultations in the ESIA process. Forced labour, illegal taxation, land confiscation and sexual abuses by troops are issues that will require particular attention.
- **Repercussions of historic experiences:** There is likely to be particular scrutiny of companies in this area – both by communities and activist groups – given the controversies and allegations of rights abuses connected to the construction of the Yadana pipeline in the early 1990s. Even if the political-security context is now significantly different, communities may have concerns based on previous experiences; similarly, expectations of how new O&G companies will operate may be shaped by the CSR and other practises employed by existing O&G companies in the area.
- **Land rights:** Given a legacy of land grabbing in the past, there are strong local sentiments in this area over land rights issues, and strong civil society organisation. O&G companies will face considerable scrutiny in this regard and should learn the lessons from other companies on instituting effective, transparent and equitable procedures for consultation and compensation in this regard.
- **Consulting ethnic armed groups:** It will be critical for O&G companies to have detailed early consultations with ethnic armed groups (NMSP and/or KNU, depending

on the specific location), who have longstanding non-state administrative systems, and who are the de facto authorities in some areas.

- **Piracy:** Companies should be aware of the possibility of piracy in off-shore central/southern Tanintharyi Region. On-shore, there are risks in some areas of banditry and attempts at extortion of O&G companies.
- **Fisher-people:** Companies with activities in the Mergui Archipelago should also be aware of possible impact on the indigenous Moken people – known as “Sea Gypsies”. They traditionally follow a nomadic, sea-based culture, although many have adopted more sedentary village-based lifestyles, sometimes under Government pressure.
- **Non-discrimination in the workplace:** Companies will have to be mindful of the ethnic mix in these areas and ensure equitable hiring practices, as well as the possibility for workplace tensions. Although tensions between communities and different ethnic groups in this area are not as strong as in some other parts of Myanmar, issues can still arise. As in other parts of Myanmar, there can be fairly strong anti-Muslim sentiments and discrimination.