

## The East-West Economic Corridor

*“By 2004, you will be able to travel an all-weather road from Mawlamyine in Myanmar, through Lao PDR and Thailand, to Da Nang in Viet Nam, made possible because of the GMS East-West Economic Corridor.”*

Asian Development Bank (2001)<sup>1</sup>

*“Maldevelopment: A discrepancy between the economic, political, and cultural conditions and the actual needs and means of the people.”<sup>2</sup>*

The Asian Development Bank's (ADB) optimistic forecast has not yet come true. Much of the route linking Mawlamyine (Moulmein), the capital of Mon State in Burma, to Myawaddy, opposite Mae Sot on the Thai border, remains little more than a narrow road that varies from a dirt track in sections to a single-lane of cracked asphalt. But if the ADB has its way, the primitive road will become a sophisticated, multi-lane highway by 2008, facilitating the movement of consumer goods and passengers.

According to the ADB, increased mobility will reduce rural poverty by creating a range of economic opportunities, especially for women, along the new highway. The ADB has also proposed a toll system to recover construction costs and to cover road maintenance. Other infrastructure, such as a deep-sea port, industrial estates, and special economic zones are planned in connection with the highway for the near future as well.<sup>3</sup>

But to quote a well-known English proverb, *“The road to hell is paved with good intentions.”* Put differently, even well intentioned actions can have disastrous results. While the peoples of Burma certainly deserve better transportation networks, EarthRights International (ERI) does not support the ADB's proposed road rehabilitation project given current conditions inside Burma. Put simply, while the military regime remains in power it is impossible to implement development projects in Burma without widespread earth rights abuses also occurring.

For the past decade, ERI has gathered hundreds of testimonies from victims of human rights abuses, especially forced labor and portering, in contested areas of eastern Burma. Given the continuing levels of violence, including the pervasive use of forced labor, ERI remains deeply skeptical that the ADB's projects will encourage sustainable and equitable forms of development in the region without the use of forced labor. This is especially worrying since the recent International Labor Organization annual meeting indicated that the Burmese government is fundamentally unable to control the use of forced labor by its military much less eradicate the practice. After several years of discussion, the SPDC has again repeatedly failed to take meaningful steps towards decreasing the use of forced labor in Burma.

For these reasons, ERI is concerned by the ADB's efforts to quietly push the road project forward. The Department of Highways of Thailand, which will serve as the main implementing agency for the project inside Burma, has conducted some initial studies, including draft plans. However, no social or environmental impact assessments are publicly available, if indeed they

have been carried out. Moreover, local communities living in the project area in Burma have not been consulted to date.

Why the secrecy? One reason for silence: the Burmese military's ongoing counter-insurgency campaigns against civilian populations in Mon and Karen States. According to recent figures compiled by the Burma Border Consortium, there are over 31,000 and 135,000 internally displaced persons (IDPs) in these two states respectively due to ongoing state-sponsored violence in the region.<sup>4</sup> The proposed highway bisects this region, which means that it will facilitate not only trade but also the rapid movement of troops and supplies to army bases along the heavily militarized border.

Increased mobility poses other problems as well. Research conducted in other neighboring countries by the United Nations and other public health agencies indicates that new highways also help facilitate trafficking in women and the spread of infectious disease, especially HIV-AIDS. Such findings run directly counter to ADB claims that improved mobility will necessarily result in poverty reduction and better lives for young women and children living in the project area.<sup>5</sup> Such claims are particularly alarming given that Burma has been named a "Tier 3" nation by the U.S. Department of State. This means that Burma has failed to comply with minimum international standards for the elimination of human trafficking for sexual exploitation and is not currently making any effort to do so. Only thirteen other countries in the world have earned this unsavory distinction.<sup>6</sup>

Finally, the road project will cut through several sensitive eco-regions, home to a large number of threatened and endangered species, and increase pressure on already badly fragmented habitat. Given the past track record of the State Peace and Development Council (SPDC), the military junta ruling Burma, ERI firmly believes further earth rights abuses are inevitable unless concerted action is taken by concerned members of the international community.<sup>7</sup>

## **Background on the Corridor**

The proposed road project, linking Mawlamyine (Moulmein) in eastern Burma to Mae Sot in western Thailand, is part of a much larger transportation initiative headed by the ADB known as the "East-West Economic Corridor." The section in Burma, if completed, will connect with other highways in Thailand, Laos, and Vietnam to create the first transportation corridor running the entire width of mainland Southeast Asia—a distance of 1,450 kilometers. (Additional links connecting existing roads in Burma with those in eastern India are also planned.) Major components of the East-West Economic Corridor are to be completed by 2007 at a total estimated total cost of US\$ 2.5 billion ([Click here for an ADB document containing maps](#)).

Figure 1: Map of the East-West Economic Corridor



According to the ADB, the main objectives of the East-West Economic Corridor are:

- To further strengthen economic cooperation and to facilitate trade, investment, and development among these four countries;
- To reduce transport costs in the project area by making the movement of goods and people more efficient;
- To reduce poverty by supporting economic development in rural areas and border regions, especially via agro-industry and tourism.<sup>8</sup>

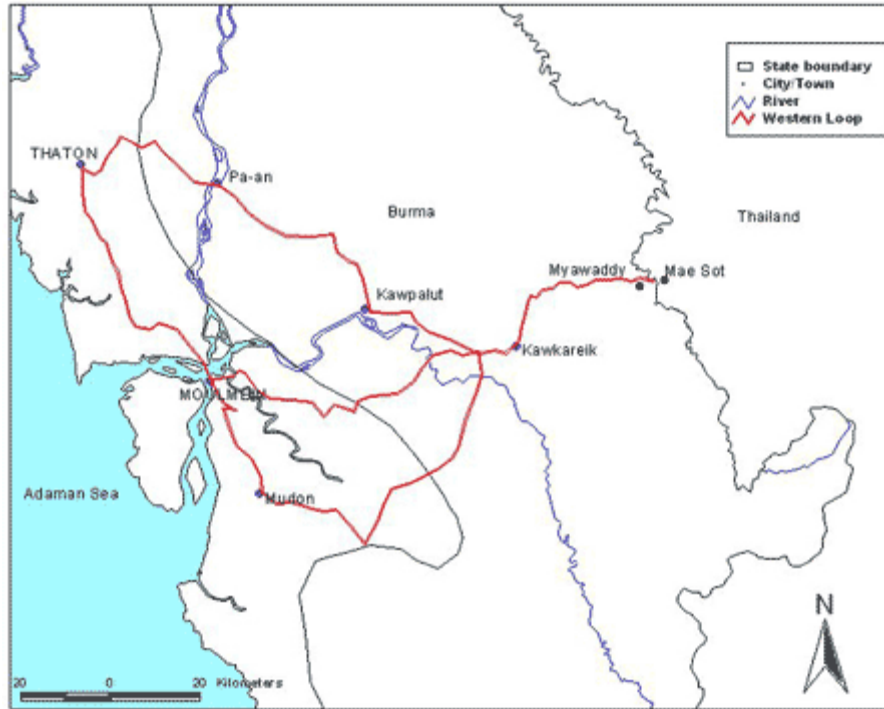
### Projects Proposed in Burma

A number of large development projects connected to the ADB’s “East-West Economic Corridor” have been proposed. Of these, three stand out due to the likelihood that they will result in earth rights abuses.

- Project Name: *Rehabilitation of the Road from Myawaddy to Mawlamyine in Myanmar*

ADB Priority: High

Figure 2: Map of the “Western Loop” of the East-West Economic Corridor



The highway construction project inside Burma is sometimes referred to as the “Western Loop.” The term refers to the transportation “loop” that will be created by rehabilitating the existing routes connecting the following towns on the above map:

Route 1: Myawaddy-Kawkareik-Paan-Thaton (158 kilometers)

Route 2: Myawaddy-Kawkareik-Mudon-Mawlamyine (200 kilometers).

The estimated cost of this project is US\$ 100 million. The Ministry of Construction of Myanmar, the Neighboring Countries Economic Development Cooperation Fund (NECF) under Ministry of Finance of Thailand, and the Department of Highways of Thailand are the main implementing agencies.

- ADB Project Name: *Mawlamyine Deep-Sea Port*

ADB Priority: Medium

Mawlamyine (Moulmein), the capital of Mon State, is the third largest port in Burma. However, the port’s facilities are too antiquated and the water too shallow to permit international cargo ships. Three options for developing a new deep seawater port on the Andaman Sea near Mawlamyine have been proposed. Options 1 and 3 would have especially significant socioeconomic and environmental impacts:

Option 1: Kalegok Island (between Mawlamyine and Ye) as part of a US\$ 488 million economic

zone development;

Option 2: 16 km west of Mudon (Kadonbaw), 24 km south of Mawlamyine;

Option 3: 80 km south of Mawlamyine as part of US\$ 5.3 billion Myanmar Integrated Project, which would include a new airport and satellite towns.

- ADB Project Name: *Special Border Zones*

ADB Priority: Medium

Two “Special Border Zones” (SBZ) are currently planned. The first SBZ calls for the creation of industrial estates (30-50 hectares) in Myawaddy, Karen State. The ADB hopes that such estates will help regularize the export of agricultural produce from Burma to Thailand. Additionally, the ADB plans to create produce-buying agencies in Mon and Karen States to encourage farmers to plant cash crops (e.g. chilies, onions, garlic, and fruit) for eventual sale in neighboring Thailand.

The second SBZ is to be built in Mae Sot, Thailand. The SBZ, in addition to food processing, is intended to support light manufacturing. Both enterprises offer, in the view of the ADB, a means to regulate the flow of undocumented Burmese workers into Thailand via renewable work permits.

## Concerns

The ADB has noted that some aspects of its plans to develop the “Western Loop” of the East-West Economic Corridor are problematic. But almost without exception, these concerns are technical ones. For example, high tolls on the new highway—needed to recover construction costs and to finance maintenance—are likely to reduce the total amount of traffic using the road, especially the rural poor whom the project is supposed to benefit. In a related fashion, it is not clear whether the proposed deep-water port in Mawlamyine will be able to attract cargo on a long-term basis from existing ports in Rangoon, much less Bangkok and Laem Chabang, also in Thailand.<sup>9</sup>

*“The Kaw Ka Rate Road [Part of the planned East-West Corridor] was enlarged in 1989 and 1990... Since then, people who live next to the road have to build cement homes, zinc roofs, and cement fences. That is their [SPDC] policy; that is the only way. If people could not afford to do this, they had to move away from the road.”*

(ERI Interview, 2005)

Alarming, the ADB documents have nothing to say about the current situation in Burma. For example, the ADB fails to offer an explanation as to why it is quietly increasing technical assistance to Burma, a country it has not formally granted a loan to since 1986, via its implementing partners in the region.<sup>10</sup> However, through the Greater Mekong Subregion plans, technical assistance is given to projects in that country. Nor do the documents outline how the ADB and its partners intend to prevent earth rights abuses from taking place even though Burma

continues to have one of the worst human rights records in the world. The remaining sections of this article outline ERI’s main concerns in greater detail.

## Human Rights Concerns

The pervasive and continuing use of forced labor by military and civilian personnel in Burma, especially for large-scale development projects has been well documented by ERI and other human rights organizations ([click here to learn more about ERI’s work in this area](#) .) The SPDC, for example, has publicly admitted that millions of Burmese were forced to contribute “voluntary labor” towards the construction of the country’s infrastructure, e.g. the Ye-Tavoy Railway, during the 1990s.<sup>11</sup> Similarly, tens of thousands of villagers were also forced by the Burmese military—many of them repeatedly—to help construct the infamous Yadana-Yetagun Pipeline between 1996 and 1998. These figures do not include the estimated 36,000 people who were forcibly relocated without compensation to secure a corridor for the project. Nor do these figures count the victims of other abuses, including: rape, torture, and summary executions.<sup>12</sup>

Such abuses are not limited to the Tenasserim Division, where both the above projects are located. Indeed, the International Labor Organization (ILO) has prioritized efforts to eliminate the use of forced labor in neighboring Mon and Karen States, among other border regions.<sup>13</sup> The SPDC has, to date, failed to implement the terms of the “Joint Plan for the Elimination of Labor Practices in Burma.” If anything, the situation has worsened.<sup>14</sup> As a consequence, the ILO reactivated “measures” (i.e. sanctions) from an agreement drafted in 2000 against the regime.<sup>15</sup> These steps were taken as a result of the SPDC’s inability to address the problem. The ILO’s “wait-and-see” approach was no longer effective and stronger solutions were needed. These measures require governments and workers to disengage with Burma.

Given this ongoing stalemate, it remains unclear why the ADB, along with its Thai partners, believes that it can succeed where the ILO has failed. The magnitude of the challenge—creating jobs to reduce rural poverty in border regions of eastern Burma—becomes even more apparent when compared with recent statistics on the numbers of people displaced by the violence.

Table 1: Internally Displaced Persons (IDPs) in “Western Loop” Region (2004 Figures)<sup>16</sup>

State	IDPs in Free-Fire Zones	IDPs in Ceasfire Areas	IDPs in Relocation Sites (# of Sites)	Total IDPs
Karen	46,900	75,000	13,400	135,300
Mon	2,300	25,000	3,800	31,100

The above figures are even more disturbing when examined at the micro-level. Currently, there are more than a dozen *Tatmadaw* bases outside of the border town of Myawaddy, with much of the region directly to its north classified as a “Free Fire Zone” where troops can shoot at will. Additional bases are located in the district towns of Kawkereik, Paan, Thaton, and Moulmein—all along the Burmese sections of the East-West Economic Corridor.

Although major military campaigns have declined in these areas, other problems remain. According to the Free Burma Rangers, a group that provides free medical care to IDPs in conflict zones of eastern Burma, “*The ceasefire talks have brought a stop to shooting but forced labor, human rights violations and the strengthening of Tatmadaw positions and the DKBA continues.*”<sup>17</sup> The tables below provide further albeit still limited information on displacement in the specific districts that will be traversed by the Western Loop road rehabilitation project.<sup>18</sup>

Table 2: Displacement Along Proposed Route 1 (Myawaddy-Kawkareik-Paan-Thaton)

Townships	Civilians Displaced in past 2 Years	IDPs in Free-Fire Zones	IDPs in Ceasefire Zones	IDPs in Relocation Sites
Myawaddy	10,000	8,000	15,000	0
Kawkareik	4,000	800	0	1,000
Paan	n/a	n/a	n/a	n/a
Thaton	n/a/	n/a	n/a	n/a

Table 3: Displacement Along Proposed Route 2 (Myawaddy-Kawkareik-Mudon-Mawlamyine)

Townships	Civilians Displaced in past 2 Years	IDPs in Free-Fire Zones	IDPs in Ceasefire Zones	IDPs in Relocation Sites
Myawaddy	10,000	8,000	15,000	0
Kawkareik	4,000	800	0	1,000
Mudon	n/a	n/a	n/a	n/a
Moulmein	n/a/	n/a	n/a	n/a

ERI and other human rights groups routinely gather testimonies from individuals living along both routes that indicate forced labor, portering, and forced conscription remains a problem, especially in Paan and Thaton Districts.<sup>19</sup> Such materials are frequently cited in reports prepared by the ILO. But again, publicly available materials from the ADB related to the “Western Loop” make no reference to ongoing abuses in this still contested region.

### Environmental Issues

The East-West Economic Corridor, while it promises to promote economic development along the route, will also adversely affect critical ecosystems and areas valued for their high biodiversity by fragmenting habitat. Over the long-term, environmental degradation, if not addressed, will undermine the region’s environmental security and long-term socioeconomic development.

To address these problems, the ADB is promoting the creation of “biodiversity conservation corridors.” According to the ADB, these corridors will connect valuable habitat and permit species to naturally migrate between areas currently threatened with fragmentation. Major causes

of fragmentation include habitat loss due to unsustainable forms of resource exploitation: intensive agriculture, logging, and gold mining—activities carried out in close collaboration with state-owned enterprises, SPDC military battalions, and armed cease-fire groups such.<sup>20</sup> Some areas, especially along the Salween River and its tributaries inside Burma, are also threatened with inundation from hydropower development ([Click here for details](#)). The construction of roads into these remote regions has also caused severe damage; roads lead to increased rates of soil erosion and facilitate hunting and wildlife trafficking.

A series of high-level meetings involving the ADB and its partners are to be held this year, with the Action Plan for the creation of these corridors to begin implementation in January 2006.<sup>21</sup> The “Western Forest Complex,” which straddles the Thai-Burma Border, is of particular concern.<sup>22</sup>

The Western Forest Complex includes the Kayah-Karen Montane Rain Forests, which extend south into the Tenasserim (Tanintharyi) Division.<sup>23</sup> The region contains mainland Southeast Asia’s largest remaining tropical and sub-tropical moist broadleaf forests, including remaining stands of teak, ironwood, and other valuable hardwoods. Numerous threatened and endangered species depend upon these forests for their continued survival, e.g. Asian elephants, tigers, gaur, bateng, gibbons, Malayan tapir, Asiatic black bear, southern sereow, Plain-pouched hornbill, Gurney's Pitta, and Kitti’s hog-nosed bat, to name only a few. To help protect these species, the World Wildlife Fund has added the Kayah-Karen Forests to its list of the planet’s 200 most important eco-regions.<sup>24</sup>

The ADB acknowledges that these forests are under heavy pressure:

Major threats to this landscape include habitat degradation from logging and shifting cultivation. Forests are being rapidly cleared for intensive, cash crop agriculture... Increasing population pressure has forced itinerant farmers to reduce the cycle of cultivation-fallow periods and pushed them deeper into the forest where old-growth forests are being cleared. Hunting is also a major threat in this region.

(ADB 2005)<sup>25</sup>

Yet, the ADB blithely goes on to note that the ADB’s East-West Corridor Transportation Route will bisect several protected areas in the northern part of the Western Forest Complex in Burma, fragmenting it further ([Click here for a map of the area](#)). Despite the ADB’s stated interest in creating bio-conservation corridors, there is no mention of alternate routes or, for that matter, a plan to prevent an increase in logging, agriculture, hunting, and the exploitation of other non-timber based forest products—all of which are likely to increase following the road’s rehabilitation. Again, given the current situation in Burma, ERI is concerned that the highway project will increase not only the mobility of the Burmese military and economic migrants, but accelerate the destruction of a globally significant eco-region as well.

## **Recommendations**



*To the State Peace and Development Council (SPDC):*

- Require social and environmental impact assessments to be conducted by a qualified and neutral agency for all large-scale development projects connected to the East-West Economic Corridor.
- Conduct all matters related to the development of the corridor in a transparent and open manner, which includes the meaningful involvement of local people in the decision-making process.
- Accede to the following international human rights treaties: the International Covenant on Economic, Social and Cultural Rights; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and its Optional Protocol as well as the ILO Conventions on Forced Labor (and No. 105). (Burma already signed No. 29)

*To the Asian Development Bank:*

- The Asian Development Bank should cease providing technical assistance to Burma via the Greater Mekong Sub-region scheme, specifically projects connected to the “Western Loop” of the East-West Economic Corridor, and soliciting funds for its implementing partners.
- The Asian Development Bank should immediately expel the regime’s representative serving on its Board of Executive Directors.
- The Asian Development Bank should not renew its relationship with Burma until democratic rule is restored and mechanisms are in place for ordinary people to participate in decision-making regarding large-scale development projects.

*To the International Labor Organization (ILO):*

- Call on its members to review their relations with Rangoon, especially that engage the regime through their involvement in large-scale development projects. Pressure international non-governmental organizations, multi-lateral development agencies, foreign governments and other international institutions to cease providing technical and financial assistance to the Western Loop of the East-West Economic Corridor:
- Call on international bodies, such as other UN agencies, and multilateral development banks to review their activities in Burma.
- Require an ILO-monitoring presence in the affected area should the projects connected to the Western Loop move forward.

*To Non-Governmental Organizations (NGOs):*

- Apply pressure on government agencies and companies in Thailand urging them not to move forward with the proposed projects connected to the “Western Loop.”
- Lobby elected officials in your countries of origin to lodge diplomatic protests against the ADB to refrain from providing any support given to the current military regime of Burma via formal government channels and the United Nations.

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<sup>1</sup> See Asian Development Bank, *Pre-investment Study for the Greater Mekong Sub-region East-West Economic Corridor* (Manila: ADB, 2001).

<sup>2</sup> The neologism, first introduced during the 1990s to replace the concept of “underdevelopment,” emphasizes that economic forms of development are tools for promoting human and social development rather than an end to itself.

<sup>3</sup> ADB, [“GMS Development Matrix: East-West Road Corridor Mawlamyine- Myawaddy section \(Myanmar\)”](#) available at (28 April 2005).

<sup>4</sup> For an overview, see Burma Border Consortium, [Internal Displacement and Vulnerability in Eastern Burma](#) (2004) (10 May 2005). See chart on p. 2 for figures.

<sup>5</sup> UNIFEM, [“Women, Gender and HIV/AIDS in East and Southeast Asia”](#) (16 June 2005); Family Health International, [“HIV/AIDS Behavioral Surveillance Survey Vietnam”](#) (2000), available at (16 June 2005).

<sup>6</sup> Office to Monitor and Combat Trafficking in Persons, U.S. Department of State, [Trafficking in Persons Report 2005](#) (16 June 2005).

<sup>7</sup> For more information on the concept of earth rights, [click here](#) (28 April 2005).

<sup>8</sup> ADB, [“GMS Flagship Initiative: East-West Economic Corridor Summary”](#) (26 April 2005).

<sup>9</sup> ADB, [“MYA-TRN-Road upgrading.doc”](#) available at (28 April 2005).

<sup>10</sup> Bank Information Center, [“Quiet but Steady: The Asian Development Bank’s Support for Burma”](#) (29 April 2005).

<sup>11</sup> The military has routinely justified the use of corvée labor in the name of such development and published the details in its annual statistical review. See, for example, Table 36 of *The Union of Myanmar’s Review of the Financial, Economic, and Social Conditions for 1996-7*, which contains information on the “People’s Contributions” (i.e. forced labor measured in millions of Kyat) to the country’s rural development (1962-1997). On the Ye-Tavoy, see ILO, [Forced labour in Myanmar \(Burma\)](#): Report of the Commission of Inquiry appointed under article 26 of the Constitution of the International Labour Organization to examine the observance by Myanmar of the Forced Labour Convention, 1930 (No. 29) (Geneva: ILO, 1998). See Part IV at No. 408 and notes 624-7. Report available at (1 August 2003).

<sup>12</sup> ERI, *Total Denial Continues* (Washington D.C.: ERI, May 2000). In March 2005, a final settlement agreement was reached in the *Doe V. Unocal* litigation in which ERI served as co-counsel to the plaintiffs. For details, see [“Final Settlement Reached in Doe V. Unocal”](#) (28 April 2005).

<sup>13</sup> [“Joint Plan of Action for the Elimination of Forced Labor Practices in Burma”](#) (May 2003) (18 June 2004). See also, [“ERI Policy Statement on Joint Plan of Action”](#) (updated version) (28 April 2005).

<sup>14</sup> For recent information from the “Western Loop” region, see the [field reports prepared Karen Human Rights Group](#).

<sup>15</sup> See, [“Burma/Myanmar at the ILO Governing Body”](#) (24 March 2005) (12 May 2005). For further details, see ILO, [“Further action taken pursuant to the resolution of the International Labour Conference regarding forced labour in Myanmar”](#).

<sup>16</sup> For an overview, see Burma Border Consortium, [Internal Displacement and Vulnerability in Eastern Burma](#) (2004) (10 May 2005), p. 2.

<sup>17</sup> For details, see [http://www.freeburmarangers.org/Reports/idp\\_relief\\_mission\\_paan\\_district\\_karen\\_state\\_burma.htm](http://www.freeburmarangers.org/Reports/idp_relief_mission_paan_district_karen_state_burma.htm) (12 June 2005).

<sup>18</sup> *Ibid.*, pp. 33, 35.

<sup>19</sup> ERI, [“‘Since You Did Not Order Them To Work, I Will Hit You!’: Recent Trends in the Use of Forced Labor in Burma”](#) (2004); Karen Human Rights Group, [SPDC & DKBA Orders to Village: Set 2003-A](#) (2003).

<sup>20</sup> ERI, [Capitalizing on Conflict: Logging and Mining Activities in Burma’s Cease-Fire Zones](#) (2003).

<sup>21</sup> For more details, see [“Greater Mekong Sub-region Biodiversity Conservation Corridors Initiative”](#) (updated 16 February 2004).

<sup>22</sup> ADB, [“Western Forest Complex \(Thailand/Myanmar\) Western Forest Complex \(including the Tanintharyi Forest Complex in Myanmar\)”](#) (27 April 2005).

<sup>23</sup> The complex also includes the following protected areas in Thailand: Khao Laem National Park, Khaoen Si Nakerin National Park, Erawan National Park, Khlong Lan National Park, Mae Wong National Park, Klong Wang Chao National Park, Sai Yok National Park, Umphang Wildlife Sanctuary, Huai Kha Khaeng Wildlife Sanctuary, Thung Yai Naresuan Wildlife Sanctuary.

<sup>24</sup> For details, see World Wildlife Fund, “Kayah-Karen Montane Region,” (24 July 2003) and (24 July 2003). See also, EarthRights International. [Total Denial Continues: Earthrights Abuses Along the Yadana and Yetagun Pipelines in Burma](#) (Washington D.C.: ERI, 2000).

<sup>25</sup> ADB, [“Western Forest Complex \(Thailand/Myanmar\) Western Forest Complex \(including the Tanintharyi Forest Complex in Myanmar\)”](#) (27 April 2005).