

Governance and Changes of Economic and Food Security In Myanmar: Case Study  
of Letpadaung Copper Mine

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จุฬาลงกรณ์มหาวิทยาลัย

CHULALONGKORN UNIVERSITY

A Thesis Submitted in Partial Fulfillment of the Requirements  
for the Degree of Master of Arts Program in International Development Studies

Faculty of Political Science

Chulalongkorn University

Academic Year 2013

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เป็นแฟ้มข้อมูลของนิสิตเจ้าของวิทยานิพนธ์ ที่ส่งผ่านทางบัณฑิตวิทยาลัย

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ธรรมาภิบาลและการเปลี่ยนแปลงความมั่นคงทางเศรษฐกิจและอาหารในพม่า: กรณีศึกษาเมือง  
ทองแดงไถ่พาดอง



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จุฬาลงกรณ์มหาวิทยาลัย

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วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต

สาขาวิชาการพัฒนาระหว่างประเทศ

คณะรัฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2556

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

Thesis Title	Governance and Changes of Economic and Food Security In Myanmar: Case Study of Letpadaung Copper Mine
By	Mr. April Kyu Kyu
Field of Study	International Development Studies
Thesis Advisor	Carl Middleton, Ph.D.

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เอพริว คิว คิว : ธรรมชาติและการเปลี่ยนแปลงความมั่นคงทางเศรษฐกิจและอาหาร  
ในพม่า: กรณีศึกษาเหมืองทองแดงเล็ดพาดอง. (Governance and Changes of  
Economic and Food Security In Myanmar: Case Study of Letpadaung  
Copper Mine) อ.ที่ปรึกษาวิทยานิพนธ์หลัก: ดร. คาร์ล มิเดิลตัน, 140 หน้า.

วิทยานิพนธ์ฉบับนี้มีวัตถุประสงค์ในการตรวจสอบธรรมชาติในการจัดการโครงการ  
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อาหารต่อผู้อยู่อาศัยบริเวณเหมืองทองแดง ที่ผ่านมา ได้มีหลายภาคส่วน อาทิเช่น ภาคประชา  
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ที่โครงการได้ดำเนินมาตั้งแต่เริ่มต้น

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ความน่าเชื่อถือของตัวแสดงต่างๆในโครงการเหมืองทองแดง นอกจากนี้ งานวิจัยนี้ยังมี  
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เก็บข้อมูลจากการสัมภาษณ์ การอภิปรายกลุ่ม และการสังเกตการณ์

งานวิจัยนี้พบว่า โครงการเหมืองทองแดงเลปะดองส่งผลกระทบต่อความมั่นคงทาง  
เศรษฐกิจและอาหารต่อชุมชนรอบเหมือง กลไกในการจัดการบริหาร ซึ่งได้แก่ การมีส่วนร่วม  
ความโปร่งใส และความน่าเชื่อถือ ของโครงการถือว่าอยู่ในระดับต่ำ ซึ่งก่อให้เกิดผลกระทบต่อ  
ความมั่นคงทางเศรษฐกิจและอาหารในชุมชนรอบเหมือง

# # 5581125024 : MAJOR INTERNATIONAL DEVELOPMENT STUDIES

KEYWORDS: ECONOMIC SECURITY / FOOD SECURITY / GOVERNANCE /

LETPADAUNG COPPER MINE

APRIL KYU KYU: GOVERNANCE AND CHANGES OF ECONOMIC AND FOOD SECURITY IN MYANMAR: CASE STUDY OF LETPADAUNG COPPER MINE.  
ADVISOR: CARL MIDDLETON, Ph.D., 140 pp.

This thesis evaluates the governance of Letpadaung copper mine project from the beginning of the project. Since 2010, the Union of Myanmar Economic Holding Ltd\_(MEHL) has implemented the Letpadaung copper mine project in Sagaing State as a joint venture with Chinese companies. The thesis investigates the relationship between poor governance at the project and environment and social damages associated with the project that has impacted the economic and food security of thousands of local villagers who live around Letpadaung Mountain. These villagers alongside students and monks have protested against the copper mine and attracted the support of Media, NGOs and political parties. Letpadaung copper mine has emerged as one of the most important issues in Myanmar.

This research focuses on the decision making or Letpadaung project and the participation, transparency and accountability of the different actors that shape the governance of the project area. This study also evaluates changes in human security of local people due to the implementation of the project, especially changes of economic and food security. The research used qualitative methods including semi-structure interviews, key-informants interview, group discussion and observation

The thesis conclude that implementation of Letpadaung copper mine project has affected the economic and food security of local communities. The implementations of the governance mechanisms (Participation, Transparency and Accountability) are poor, which has thereby failed to recognize and redress negative impacts on economic and food security of local communities.

Field of Study: International  
Development Studies

Student's Signature .....

Advisor's Signature .....

Academic Year: 2013

## ACKNOWLEDGEMENTS

I would like to express the deepest gratitude to my advisor Ajarn Carl Middleton, for advice, encouragement and patience. I am also really thank you to chairman and external of my thesis committee, Associate Professor Dr. Niti Pawakapan and Dr. Michael George Hayes, who showed their concern on the issues of copper mine in Myanmar and their invaluable comments to my thesis. My appreciation also goes to Ajarn Supang Chantavanich, Ajarn Naruemon Ju and Ajarn Jonjakkarit for their kindness and support. Thank you very much also to all staff in the MAIDS program who have helped me in many ways.

I would like to express my special gratitude you to Mr. Alexander Boome and his team from Hinirich Foundation for providing a scholarship to study in this program and helping me in various ways and patience.

My gratitude also goes to Marisa Charles and Mattew Tully who gave me encourage and recommendation for this study.

I would like to say special thanks to all interviewees in Letpadaung communities for sharing their experiences and information with me. Especially, I received a great deal of help from Dr.Kyaw Thu (Paung Kuu) to get a resource person for interview in Monywa. I also extend my Thank to Yee Yint Kyaw and Han Win Aung who has shared their precious time with me.

I would like to say thank you with my heart to Sayar Myint Wai (TACDB), Salai Vanni Bawi, Hnin Phyu Phyu Myint, Sai Hein, Harry, Francis and Yeji for their help, kindness and friendship.

Lastly, my gratitude also expresses to other people who cannot be mentioned one by one but I would not forget their help and support in my life.

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# Chapter I

## Introduction

### 1.1. Problem Statement

Located on the North West part of Myanmar, Sagaing Division, Monywar Township, Monywar copper mine is the nation's largest with four deposits. Letpadaung is one of the biggest mountains for production of copper. Myanmar government planned to produce copper in pursuing the nation's economic growth. The implementation of copper mine effects on local communities which occur potential concerns about food and economic security of local communities. Mining operation have been implementing since 1980 around Monywar area through by joint venture agreement between Myanmar government and international companies. Previous extraction projects have left environmental degradation and affect the livelihood of local communities.

In 2010, China North Industries Co (NORINCO), one of China's state-owned weapon manufacturers and the Union of Myanmar Economic Holding Ltd (UMEHL), a Myanmar military government owned state enterprise, signed a joint-venture agreement to develop copper mines around the Letpadaung mountain area. The project included 33 areas in and around the Letpadaung Mountain (including Monywar) and included the total or partial use of land on which some 26 villages were situated.

Letpadaung Mountain is situated at the west bank of Chindwin River as a tributary of the Irrawaddy River which passes through many villages. There are many farmlands which deposit alongside of the Chindwin River and support thousands of local livelihoods. Waste water released into the stream and rivers as well as waste

soil has been allegedly dumped on local farmland. The fear of pollution and livelihoods challenges (unfair compensation, land grabbing) from the mines has become major causes to protests to be mounted in this area(Irrawaddy, 2012).

As elaborated by Mizzima (2012), thousands of local residents were displaced by force, causing them to lose homes and livelihoods. In addition there was also widespread environmental and social damage which became a popular public concern. The project also lacked transparency with little or no information being made public about the agreements and treaties signed during the transitional period in Myanmar. In May 2012 local residents from 4 villages began protesting to halt the controversial project, led by a women's rights group from Wat-Hmay village. They were joined by hundreds of local villagers and monks (Win, 2013). Tensions were further inflamed in August 2012, culminating in larger demonstrations involving larger groups of participating villagers. During the first protests, farmers highlighted the plight of the Sabae and Kyinsintaung mountains which had suffered the horrific consequences of being almost totally destroyed in an earlier similar mining project, leaving polluted areas which had been rendered useless for farming or any purposeful activity. Analogies were drawn to point out how fragile the Letpadaung mountainous region is and how it would also suffer a similar destructive fate with the development of this mining project. These comparisons and detailed information on the situation was publicized by local and national media which in turn drew the attention of and support of political groups, and civil society groups, who struggled alongside local villagers, setting up camps in order to halt the project work (Justice Trust and Lawyer Network 2013).

The government of Myanmar did not heed the negative feedback and complaints from the local communities unlike what they had done in the case of the Myit-Sone hydroelectric dam project. In fact in the case of Letpadaung, the authorities reacted to protests violently, heavy-handedly putting down the protests with the use of police and security forces on the 29th of November 2012. This was an ill-advised move which blew up in the authorities' faces. Rather than acting to shut down the discontented protesters localized in Letpadaung, this incident sparked a national outrage, gaining explosive momentum and going viral all over the country. Nationwide demonstrations were held in support of the villagers of Letpadaung, which sparked further violent reprisals and arrests of demonstrators by local police and security forces in many cities throughout Myanmar (Mizzima, August 2011).

Although in early 2011 Myanmar had introduced a law to allow for peaceful protests as part of the national political reform process this law and its observance had been totally ignored during the Letpadaung episodes. The government totally disregarded the law, reverting to old junta practices in clamping down on public opinion as well as engaging in a multitude of human rights violations by using force on often unsuspecting, unarmed protesters. The Letpadaung protests continued to grow in strength, unabated despite this violent response from the government, drawing larger numbers of supporters each day, with international human rights organisations and environmental groups also jumping on the bandwagon.

In December 2012, in a direct response to the growing concerns and protests over the project the Office of the President of Myanmar issued an order to form a parliamentary investigative commission to assess the Letpadaung project. The commission was tasked with the job of determining the continuity of the project as



well as to investigate protests against the project (Kyaymon, March 12, 2013). Aung San Suu Kyii was appointed as the chairperson of the commission. After a detailed investigation process, the commission issued a report on its findings on March 12, 2013. The crux of the recommendations of the report suggested that mining activities could continue, though the local villagers should be given more compensation. The report also recommended the enhancement of environmental protection measures so as to be on par with international standards. However it was felt that this report did little to alleviate the worries of the local community and they continued the protests(Irrawaddy, July 8, 2013 ).

This study examines the recent decision making process that was shaped by the actors contributions concerning about the human security impacts in Letpadaung Copper mine project in Myanmar. This study also identifies human security in Letpadaung Copper mine project especially the changes of economic and food security securities as a perspective of local communities, civil societies, the investors and Myanmar Government. Moreover it investigates the extent of how has the quality of governance been present in which society, community, organizations and actors support to participate in the decision making process of the Letpadaung project.

Figure 1; Letpadaung copper in Monywa, Myanmar



## 1.2. Research Questions

The main question for this study is “How has the quality of governance shaped changes in economic and food security of the local community involved in the Letpadaung copper mine?” The following three sub-questions support to answer the main question as follows:

1. How has economic and food security changed in the community as a result of the Letpadaung copper project?
2. To what extent have different actors been able to participate in the decision-making process of the Letpadaung copper project, and has there been transparency and accountability?
3. To what extent have economic and food security considerations been present within the decision making process in the Letpadaung copper mine project?

## 1.3. Research Objectives

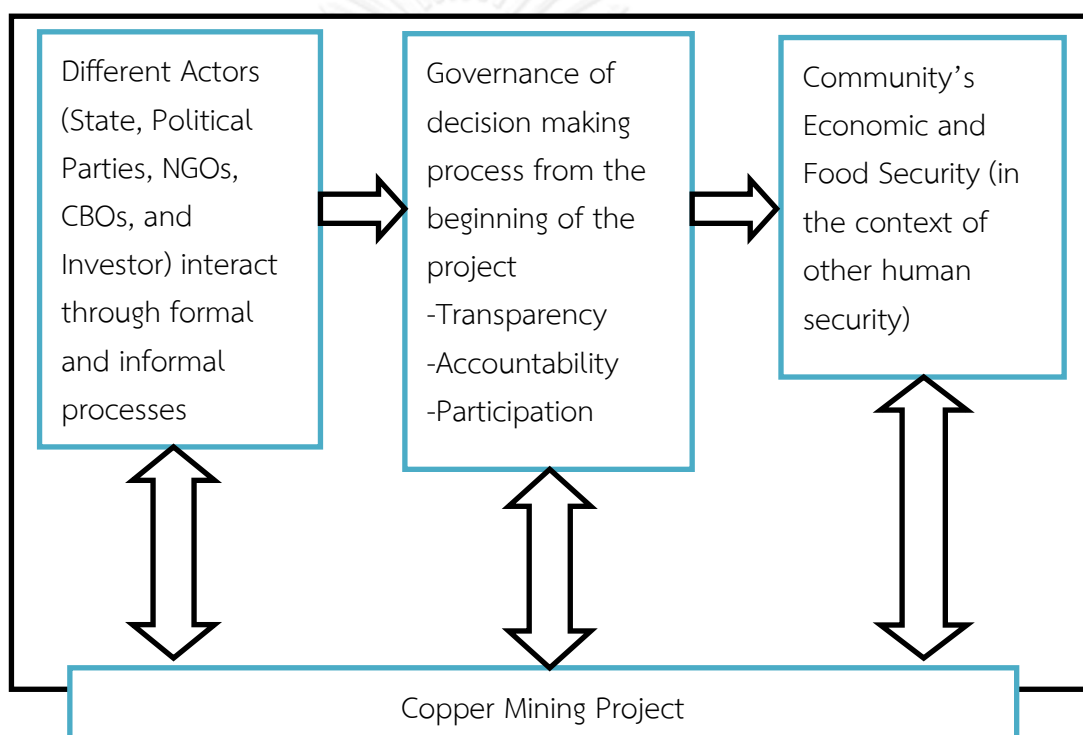
The main objective of this study is to evaluate how the governance within and surrounding the Letpadaung mining project has shaped the changes in economic and food security in the community. The following three sub-objectives help to reach the main objective as follows:

1. To determine how economic and food security has changed in the community as a result of the Letpadaung copper mine project
2. To evaluate the extent of different actors’ abilities in participating in the decision-making process of the Letpadaung copper mine project, and has there been transparency and accountability?

3. The extent of economic and food security considerations that have been present within the decision making process in the Letpadaung copper mine project.

#### 1.4. Conceptual Framework

Figure 2: Concept of Governance, Economic and Food Security in copper mine project



##### 1.4.1. Different Actors Interaction

The main actors can be divided in six groups in Letpadaung Copper Mine project: State, Political Parties, NGOs, CBOs and Investor ( Wanbao Company). The interaction of different actors through project affects the human security (Economic and Food) of community due to the Monywa (Letpadaung) project.

- **State:** A state generally means a country or nation with special sovereign and definite government which means that a group of people govern a community with a specific rule and law through by institutions. Government has the authority to create rule and law as well as hold the crucial role to shape the well-being (or) human security of the population.
- **Political Parties:** Political parties work with the mission of their parties to cover the human security in community level and national level. Political parties participate as a third party to negotiate between the government and community in the decision making process of the policy for human security.
- **NGOs:** NGOs emphasis every implications human security according to their interested field. Human rights organizations work for political, community and personal security and environmental organizations work for the secure of environment and food. NGOs which objectives with development work for the economic, health and food security.
- **Community Based Organizations CBOs:** CBOs are the most crucial position protecting their security. Cooperating with CBOs and NGOs to enforce the human security depending on the situation of their society.
- **Media:** Media works to share the information of events which is in different level through by various kinds of communication channels. Medias are the crucial role to spread out Letpadaung mine case to the world which reported by local and international medias.
- **Investor:** Investors work only for their interest and consequently which can strengthen the economic security of the nation. Although the foreign direct

investment (FDI) in the cooper mine project increase the economy, the investors focus on their profit since Letpadaung Copper mine project has been implement.

- **Community:** A group of people living in a society with particular characteristic by sharing norms, values and natural resources.

#### 1.4.2. Governance

The UNESPS (1994) defines governance as the “*process of decision-making and the process by which implementations of those decisions are done or not*”. Various actors make up the decision-making process and implementation is made by them acting via a formal or an informal structure. Governance is about power, relationships and accountability; it is about who has the influence, whose voice is heard, who makes decisions and whether or who, if any, decision makers are held to account.

Governance includes 3 components; participation, transparency and accountability. The decision-making process should include the community and this would mean that they are given participation. Transparency means that the government (or project developer) should clearly outline and explain their responsibilities and regulations to the community at every step of project development while during implementing decisions, the government or developers should acknowledge the impact of the project and take responsibility for their actions and remedy them if necessary. This makes up the accountability component of governance.

### 1.4.3. Defining the Concept of Livelihood

Mutenje, Ortmann, Ferrer & Darroch (2010) define Livelihood as a set of activities engaged in by an individual or a group in order to access basic necessities of life such as securing food, water and economic necessities, coping with uncertainties and responding to new opportunities. Another definition of livelihood is given by Solesbury (2003) in the Sustainable Livelihoods Approach which defines livelihood as *“comprising the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. A livelihood is considered to be sustainable when it can cope with and recover from stress and shock, be able to maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation. Livelihood should also be able to contribute net benefits to other livelihoods at the local and global levels as well as in the short and long term”*(Solesbury, 2003).

Livelihood can also be interpreted in terms of economic and food security. Livelihood in an economic security context means having a stable source of financial income that allows for the ongoing financing of one's current standard of living. In the context of food security, livelihood is the ability to access food, not only in terms of the required nutritional needs but also the physical and economic ability to access food when required as well as the right to choose food.

### 1.4.4. Defining the Concept of Human Security

The concept of human security is a new one, formulated to explain the relationship between a state and an individual citizen. Prior to this, the conventional idea of security involved the concept of 'national security' which considered only

the concept of a state defending itself against external threats. The concept of 'human security' is new, having been mooted by the United Nations Development Program only in its 1994 Human Development Report.

Yukiko Nishikawa (2010) elaborates further on the concept of human security, explaining that it means securing a more people-center approach rather than a state-center one for the individual security of people. In other terms, people should be able to have choices and also be free to exercise those choices safely(Nishikawa, 2010). The principle of protecting and promoting human rights is also integral to the concept of human security. According UNDP report there are seven implications of human security Food Security, Health Security, Environmental Security, Economic Security, Community Security, Political and Personal Security(Amouyel, 2006).

- **Food Security:** One of the crucial areas of human security which means that people should be able to access basic food. Smith (1998) elaborates further that food security does not only mean that people should have food available to them but also that the food should be of appropriate nutritional value to be able to give them nutrition for a healthy life.
- **Economic Security:** This is the depth of stability of an individual or family's income above the poverty line which enables him/them to maintain a level of living standards. Economic security means that in every state there should be an adequate assured basic income, either from work or from a social safety net. Low income and high unemployment rates for example, are threat to a nation's economic security.



Forced land acquisition and forced resettlement of resident communities seem to be a part of the process of project implementation in Myanmar and these are changes that will bear detrimental effect in terms of the community's access to food, employment and income. Therefore this study chooses to focus on economic and food security areas which partial assessable representations of human security in these communities affected by the copper mining project.

#### 1.4.5. Change of Economic Security by Copper Mine

There are potential changes of economic security for local community because of different actor's interaction in the context of copper mine are listed in Table 1.

**Table 1: Potential Changes of Economic Security**

Dimension of Economic Security	Indicators	Potential change due to Letpadaung Project
Access to basic income (or) new employment	<ul style="list-style-type: none"> <li>- Seasonal Crops from Framing</li> <li>- Causal/ Temporary Work</li> <li>- Company report</li> </ul>	<ul style="list-style-type: none"> <li>- Mine Worker</li> <li>- Small scale mining</li> </ul>
Land Entitlement	<ul style="list-style-type: none"> <li>- Land ownership documents</li> <li>- Replacement record of new villages and farmland</li> </ul>	<ul style="list-style-type: none"> <li>- Inadequate land quality for livelihood</li> <li>- Land cannot plant after the project because of dumped waste soil</li> </ul>
Migration	-Population Report	-Migrate New villages or urban area

#### 1.4.6. Changes of Food Security by Copper Mine

The potential changes to food security for the local community due to the Letpadaung project are listed in Table 2.

Table 2; Potential Changes of Food Security

Dimension of Food Security	Indicators	Potential changes due to Letpadaung Project
Access to food	- Seasonal crops from farming	- the farmland cannot cultivated because of deposit on the land - Livelihood will change in near around the copper project area -The river will be polluted due to the impact of the project
Access to Water	EIA/SIA report	Reduce safety drinking water
Food production	-Regional report	-National security will be effect because of the food production reduce from Monywa

#### 1.4.7. Three timelines

In order to understand the decision making process, the researcher divided the studied period into three timelines:

- Before the project (2008-2010): covers the period during which the military government and the Chinese company were in discussions for project implementation.

- From project initiation until Parliamentary Investigation Commission (2010-November 2012): covers the period of time during the onset Implementation of the Letpadaung project which was already underway till the period prior to the formation of the Parliamentary Investigative Commission.
- During and after the parliamentary Investigation commission report (Dec 2012 to November 2013): covers the period during the investigative process by the commission, its issuance of the report and period after the issuance of the report by the investigative commission.

These 3 timelines are important to demarcate and explain the different interaction by different actors at different times in shaping the decision-making process pertaining to the project. The investigative commission is an important milestone in the Letpadaung project history as it was a lynchpin on which hinged the decision to shut down the project or not as well as being a benchmark in the transitional period in the country of Myanmar itself.

## **1.5. Research Methodology**

### **1.5.1. Research Scope**

This research took place in two regions: Yangon and Monywar in Myanmar. Field research was in four villages from Monywar Township, Sagaing Division where the copper mine project is implementing there: Wat Hmay, Kan Taw, Se Te and Tone Ywar Ma villages. There are 26 villages around Letpadaung Mountain, among these researcher selective villages over the duration of the project

- Before the project consists of the period from 2008-2010 in which discussions were ongoing between the military government and the Chinese company but the project had not been implemented. To assess and elaborate on this period, data from 4 villages was used. The villages selected for the study were Wat Hmay, Kan Taw, Se Te and Tone Ywar Ma villages and were selected from amongst the 26 villages located around the Letpadaung Mountain because these were original villages who would later be affected by the project.
- In the pre-commission to investigate the Letpadaung project phase (2010-November 2012), the project was already being implemented and opposition had broken out though the commission was yet to be formed. Data on these 4 villages continued to be used to assess this period as well as the inclusion of the new villages of New Wat Hmay and New Se Te which actually consisted of some resettled villagers from the old villages.
- The during/after commission timeline (December 2012-November 2013) covers the period during the formation of the commission and its process of investigation of the project. The original old villages (Wat Hmay, Se Te and Ton Ywar Ma) and resettle villages (new Wat Hmay and new Se Te) were discussed in this period.

For semi-structure interviews with the villagers, data was selected from the villages as a field research in these three groups of villages: Old villages Wat Hmay and Se Te; New villages Wat Hmay Se Te and Kan Taw; and Ton Ywar Ma. These villages have the most effective impacts by the projects within a total of 26 villages

affected by the project. The researcher interviewed 5 villagers from these villages including men, women and teenagers. The population of the villagers was selected randomly.

Yangon is major city of the country as well as where most of media, NGOs, and civil society exist. So that the researcher interviewed with key informants who are experts easily and work closely with Letpadaung Copper mine project.

### **1.5.2. Secondary Data Collection**

Secondary data were collected from the existing literature, official documents or reports and documentation, books, journals, newspapers article and other resources.

### **1.5.3. Primary Data Collection**

Primary data was gathered from local communities, NGOs, political parties, government organizations and the mass media. Data collection for the purpose of this research utilized primarily qualitative methods such as interviews with key informants, semi-structured interviews with villagers, focus group discussions and observations. Data was collected for this study in the two regions of Monywa and Yangon over the course of 1 month (June 16 to July 14 2013).

Key informants were interviewed using in-depth interview methods to obtain important information concerning changes in human security in the community due to the Letpadaung project. Informants were interviewed in both the regions of Monywa and Yangon to get a more diverse set of opinions and wider representation. Interviews were carried out with 88<sup>th</sup> Generation Student, Yangon Honorable Network, Paung Kuu<sup>1</sup> and Myanmar Lawyer Network in Yangon and the Letpadaung Salvation Committee (LSC) and the National League of Democracy (NLD) in Monywa. At the village level, the researcher interviewed members of the Political Prisoner

Family Benefit Network (PPFBM), villagers, monks from local monasteries, and parliamentary investigative committee members (ICM). Focus group discussion were conducted in two villages with 10 male or female participants randomly selected from those villagers between the ages of 18-60.

As mentioned above semi-structured interviews were carried out in the 6 villages selected by the researcher out of the 26 villages around the area as these were the ones most affected by the project. 5 villagers were randomly selected from each village and interviewed. The researcher also interviewed village leaders who participated in community movements opposing the project.

Table 3; List of Interviewees (See also Appendix A and B)

Interviewee	Data Collected	Research Tool	Sampling Strategy	Interviews Place	Number of People Interviewed
<b>Community Based Organizations and Community Leaders</b>					
Community Leaders	<ul style="list-style-type: none"> <li>- How do they organize to protect their interests?</li> <li>- How did they claim for their voice?</li> <li>- What kind of strategy is used for social movement?</li> <li>- What are the results of activities?</li> <li>- How their voice influences decisions</li> <li>- How is the participation for community leaders in good governance defined in the relevant laws?</li> <li>- Opportunities for community leader to work with state and non-state actors</li> </ul>	-In-depth Interview	Snow balls, well know person leading the demonstrations	Monywar	4
Community members	<ul style="list-style-type: none"> <li>- What are the changes of livelihoods, environment before and after the project?</li> <li>- What are the challenges of economic and food security?</li> <li>- How do they participate and mobilize to protect their interest?</li> </ul>	<ul style="list-style-type: none"> <li>- group discussion</li> <li>- semi-structure</li> </ul>	Random, purpose by the villagers	<ul style="list-style-type: none"> <li>1. Sae Tae</li> <li>2. Kan Taw</li> <li>3. Wat Hmay</li> </ul>	<ul style="list-style-type: none"> <li>-Group Discussion=20</li> <li>-Semi-structure=16</li> <li>Total=36</li> </ul>

	<ul style="list-style-type: none"> <li>- How do they participate in the decision making process of Copper mine? How their voice influences decisions</li> <li>- Opportunities for community members to work with state and non-state actors</li> </ul>			4 .Ton Ywar	
Letpadaung Salvation Committee (LSC)	<ul style="list-style-type: none"> <li>- How do they mobilize the demonstration and protest to protect their interest?</li> <li>- What is the participation of Letpadaung Salvation Committee in the decision of the project?</li> <li>-What is the contribution of good governance in copper mine?</li> <li>-How are the effects on environment? How do they indicate?</li> </ul>	-Key-informant interview	Well know community base organization which mobilized the activities	Monywar	1
Political Prisoner Family Benefit Network(PPFBM) Mr. Han Win Aung	<ul style="list-style-type: none"> <li>-which implication of human security has god impacts mostly? (economic and food)</li> <li>- how do they cooperate with the local people and other organizations</li> <li>- How does their co-operation influence the decision of Letpadaung project?</li> </ul>	- Key-informant Interviewed	Famous organization working in the field of human rights in Myanmar	Monywar	1
Yangon People Honorable Network	-which implication of human security has god impacts mostly?	- Key-informant Interviewed	Well-known organization	Yangon	1



	(economic and food) - how do they cooperate with the local people and other organizations - How does their co-operation influence the decision of Letpadaung project?		working in the field of human rights in Myanmar		
NGOs					
Paung Kuu	- how do they participate and support as a NGOs - to know the participation in the governance as a local NGO in Letpadaung case -what are the activities of organizations? -what organization will focus? - How they increased the participation of local community in the decision making? - Opportunities to work with community, state and non-state actors	- Key informant interview	- Well know organization advocacy activities in Myanmar	Yangon, Mandalay	2
- U Kyee Myint Lawyer Network (Burma)	- Law is widely publicized and understood by all - Legitimacy for community to act - Opportunities to work with community, state and non-state actors	- In-depth interview	Specialist in the human rights issues.	Yangon	1
Political Parties					

Open Society Organization(88 <sup>th</sup> generation group)	<ul style="list-style-type: none"> <li>- which level will they participate in the case?</li> <li>- Opportunities to work with community, state and non-state actors</li> </ul> <p>How do they participate in the decision making process of Copper mine? How their voice influences decisions?</p> <p>What are the results of activities?</p>	- In depth Interview	Famous political party that negotiate in the Letpadaung issue	Yangon	1
National League of Democracy (NLD) Daw Khin San Hlaing	<ul style="list-style-type: none"> <li>-how will they participated and co-operate with other organization?</li> <li>-how effectives is the decision of parliament inquiry report to the party?</li> <li>-how do they participate in the decision making process of Copper mine? How their voice influences decisions?</li> <li>-What are the results of activities?</li> </ul>	-Observation	Well-Know Parties	Monywar	1
<b>Total Interviewed</b>					48

#### **1.5.4. Data Analysis**

Information collection recorded with note taking or audio recording where available and data were in Burmese which translated into English. Photograph and mapping took to capture the villagers' livelihood and the situation of implementing copper mine project. Data were analyzed based on the conceptual framework.

#### **1.5.5. Research Limitation**

The researcher discussed about the two securities out of seven implication of human security (Economic and Food) because of the time limitation. The most difficult part for this research was to have the key-informant interview with government and local authority as well as with Wanbao Company representatives. However, the researcher used the government official website update news and Wanbao Company reports as well as new papers articles.

Another limitation was the permission from the authority to collect the data in the targeted place. Although there were a lot of changes in every part of area, the visit was forbidden by the local authority in such kind of sensitive area. The researcher went there under the umbrella of a local organization.

#### **1.6. Significance of the Research**

As part of the political reform process, the new government of Myanmar promised good governance and a clean, transparent government for its citizens. Thus the concept of governance has gained new meaning especially during the transitional period. The political reform and the new government since 2011 are positive steps for the country but there are still many issues including governance which need to be improved further. The letpadaung/Monywar copper mine project is one of the interesting issues that demonstrate the decision-making processes of the new

government as well as the actors that are shaping this process formally or informally. Therefore the significance of this study is to examine how various actors are at play in influencing governance and shaping the decision-making process in Myanmar during the transitional period and how this was reflected in a local community in terms of affecting their livelihood as well as food and economic security.



## Chapter II

### Literature Review

This chapter intends to review, within the context of Myanmar, the changes of human security (in terms of economic and food security) due to the planning and implementation of mega projects, considerations of evolutions in economic and food security throughout the process of project development and the concept of governance in order to identify and fill the knowledge gaps in this areas within the academic field.

This chapter reviews human security and the history of Monywar copper mine as well as the concept of governance in Myanmar. Section 2.1 gives an overview of human security; 2.2 provide information on the concept of governance, and section 2.3 mentions about the history of the Monywar Copper Mine. Finally section 2.4 outlines clearly the existing knowledge gaps pertaining to this subject.

#### 2.1. Overview of Human Security

According to the UNDP report there are seven implications of human security; Food Security, Health Security, Environmental Security, Economic Security, Community Security, Political and Personal Security (UNDP, 1994).

- **Food Security:** Food security is one of the crucial implications of human security which means people need to be able to access basic food. According to the Food and Agriculture Organization (FAO), food security *“exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”* (FAO, 1996).

- **Health Security:** According to Daniel Callahan (Callahan, 1973, pp 77) health security means the security of both physical and mental conditions of an individual are complete and without of disease or illness. People should have well-being not only physically but also mentally and should be able to access the health care system if they have health problems. Consequently the lack of basic nutrition and inability to access adequate water for sanitation brings about health problems or death due to disease which are threats to health security.
- **Environment Security:** Environment security is defined as “concerning about human safety from environmental threats or dangers caused by natural or human actions because of ignorance, accidents, mismanagement or design within the country or across its sovereign borders”(Glenn, Gordon, Perelet, & Landholm, 1998). The threat of environmental impact on individuals or a nation can be focused because of human conflict and deterioration in international relations. Environmental scarcities like insufficient land, water and natural resources can cause conflicts among countries or people. Implementation of economic activity by using massive resources has been causing insecure environmental conditions.
- **Economic Security:** According to the UNDP (1990) report economic security is the existence of a stable individual income above the poverty line which is adequate to maintain the level of living standards. It means that a social safety net should provide for individual in term of economic security. Low income and increasing unemployment rates threaten the economic security of a country(UNDP, 1990 ).

- **Community Security:** Community security is one of the approaches of human security and it attempts to protect a community or population from the loss of traditional cultures and values as well as ethnic violence. Intercultural understanding and community empowerment can be considered as key components to community security.
- **Political Security:** For political security, it is the protection of any kind of political influences at the national level and it also relates to respecting the basic human right of people in a society.
- **Personal Security:** Personal security means the sense of security from the threat of physical violence such as torture, crime, domestic violence, child abuse whether from individuals or nation-states (UNDP, 1994).

There are interrelations between these seven areas which make up human security and when one changes it often has implications on another. For example, economic and environmental problems are intimately connected with each other. Environmental deprivations caused by the promotion of economic growth and climate changes in turn affects food security. The changes of biodiversity and climate lead to changes of the quality of food and the ease to access it. Political security is related with human rights, governance and peace not only for organizations but also for individuals. In fact political security has a direct and lasting impact on community and personal security. The interrelation of these different aspects of human security in turn has an impact on the survival, livelihood and dignity of individuals and communities.

### 2.1.1. Economic Security in Myanmar

Myanmar has been significantly changed in 2011 after the new government headed by President Thein Sein took office with the promise of good governance and clean government. Myanmar is in the process of transition toward liberal democracy and has been reforming dramatically in the political, social and economic sphere. Myanmar's reforms have also been in fiscal and monetary policies such as reducing restrictions on foreign investment under the name of economic security (Bissinger, 2012).

Consequent to the commitment of the Myanmar government to change, Western countries have been easing economic sanctions placed on Myanmar and as a result the economy has improved significantly in 2012 and 2013. Myanmar is now the center of focus for investment from international investors thanks to the progress on opening up the economy and the fact that Myanmar is being labeled as 'the most interesting place to invest in the Asian subcontinent' (Sathisan, 2013).

Large amounts of foreign investment come from the neighboring countries such as China, Thailand and South Korea. The majority of the foreign direct investment (FDI) is involved in extractive resources industries, the energy sector, garment industry, information technology, and food and beverages. According to Bissinger (2012) foreign direct investment grew from US\$1.9 billion in FY 2011 to US\$2.7 billion in FY 2012. 89% of country's total FDI constitutes of hydropower energy, oil and gas as well as mining. Most of investments are joint ventures between state economic enterprises including private companies and Myanmar Economic Holdings Ltd (MEHL).



The Myanmar government realized that the flow of foreign investment could play a larger role in improving the national economic growth and reduce the development gap in addition to causing sufficient economic recovery of the country to enable it to re-integrate with regional and global economies. Nevertheless, research points out the challenges for promoting economic growth in Myanmar. Most of the FDI is projected through extractive industries such as (oil, gas, and mining) sectors and this has a large impact on the host country's social and environmental security (Bissinger, 2012). Projects such as these rarely contribute to the improvement of local communities and have a negative impact on their economic security. Also Environmental Impact Assessment (EIA) & Social Impact Assessment (SIA) are not reported in any detail for these large scale projects and the existing processes of extraction are not transparent.

Policies of earlier governments isolated Myanmar from other countries and this was worsened by economic misconduct which resulted in poor infrastructure, huge corruption and underdevelopment of human resources. The Myanmar government has been slow to solve systemic weaknesses which hamper economic development including an outdated banking system and dysfunctional revenue collection system for taxes.

### **2.1.2. Food Security in Myanmar**

According to the WFP in October 2013, food security for IDP in Kachin was stable in July before they migrated from remote camps to Myitkyina, Waingmaw and Bhamo Townships to allow their children to register in schools. Due to the shortage of rice there were continued troubles in northern Kachin where the situation remained risky. In the Dry Zone, Magway Region, food security was deemed to be stable due to

July's monsoon rains that resolved the issues of water shortages experienced in April and May, improving hygienic conditions and making for a better supply of animal fodder. The condition of food security and nutrition in Rakhine state stayed risky especially in conflict impacted areas. Almost 130,000 IDPs from central Rakhine and 11,000 from northern accepted food aid in July which improved their conditions to a relatively stable state due largely to the support that was enough to cover their basic requirements. In Chin State, the poor harvest in 2012 rainy season caused a bad food shortage that is longer than the ordinary food gap in 2013(WFP, October 2013). The report continued on to elaborate about food shortages in July that showed households were forced to change their consumption patterns to cope with this shortage.

Based on this information in and around different parts of Myanmar, food security has been considered as an important issue. There is an information gap about food security in the Letpadaung area, as there is no detailed study about food security in Letpadaung.

## **2.2. Governance**

The concept of governance can be a relevant framework with which to elaborate on Myanmar mega projects' economic and food impacts during their preparation and implementation processes. Since the concept of governance includes participation, transparency and accountability, the impact of these mega projects' can be identified in a systematic way.

### **2.2.1. Participation**

Participation in good governance purposes to involve both men and women in decision making. Their participation should be solicited directly or indirectly

through institutions which represent their interest (Crowther & Sefi, 2010). It means that all of the people living in the community or are connected to it should have the freedom to participate considering their needs and problem before making a decision that is inclusive and caters to these various aspects and problems. On the other hand although participation is often inspired by the desire to open up decision-making processes to wider audiences, it is clear that it is impossible to involve everybody and that representation can never be complete. In the real world, this often means the process of participation has large difficulties to include all those of people involved in the decision making and it will take too long to complete. Mosses(2001) claims that the consensus of what each person intends to do is easily changed under pressure in order for an individual to show the commonality of perspective which makes him member of that community, the emergence of groupthink in a manner of sense, a mode of thinking in which “the members’ strivings for unanimity override their motivation to realistically appraise alternative courses of action” (Turnhout, Van Bommel, & Aarts, 2010). It means the process of decision making involving local communities is precluded by the need to form equal units with common perspectives and interests. Thus compounds the difficulty as it now also includes the problematic character of identifying communities as well as then striving to reduce the diversity and difference among communities(Collins, Spotswood, & Manning, 2012).

### **2.2.2. Transparency**

Transparency is the free flow of information which is necessary to those who will be affected by decisions made. It is also important to be equal and impartial in the distribution of the information and this can be recognized as a responsibility on

the part of the organization that can enforce the follow of rules and regulations (Crowther & Sefi, 2010). State institutions, public and private organizations have responsibilities to perform clearly, predictably and reasonably to enhance participation and accountability. It is not sufficient to achieve transparency by merely sharing incorrect, incomplete information because there is variety information which can be made available in the public domain. Information should be complete and in an accessible language that should be appropriate with different stakeholders. According to Awad and Krishnan(2006), information should also include the detail and formats for analysis, evaluation and participation(Awad & Krishnan, 2006). Providers of information with limited analysis and evaluation should also consider timeliness and accuracy in the timeline for provision of this information which means that it should be made available before or during start of projects rather than after they have begun work on it. Compilation and delivery of up-to-date information which is accurate and timely is then crucial to the concept of transparency.

### **2.2.3. Accountability**

Accountability means that an organization or institutions acknowledge their actions' effect on other parties because of their decisions and take responsibility for these actions. It is about ensuring State institutions, public and private organizations' actions are answerable and the response predictable when duties and obligations are not met. Accountability should be strengthened not only in the government but also in the private sector and civil society for public and their stakeholders(Crowther & Sefi, 2010). According to the DFID's note "*accountability is an institutionalized (i.e. regular, established, accepted) relationship between different actors(Shenkin & Coulson, 2007).*" There are 'accountees' who received the responsibility of being

told of actions performed and ‘accounters’ who had the responsibility of giving an accounting of their actions in the organization.

### 2.3. History of Copper Mine Projects in Monywa

Monywa Copper Mine is the biggest copper mine project in Myanmar with four deposits Sabaetaung, Sabetaug South, Kyisintaung and Letpadaung. The very first document allowing for Monywa mining survey and drilling of the four deposit copper mines were implemented by a co-operation among the Department of Geologic Survey and Exploration (DESG), other Burmese and Myanmar geological agencies, and the United Nations Development Program as well as the Yugoslav state copper mining company between 1957 and 1986(Ivanhoe, 1999). One of the Yugoslavia state owned RTB-Bor Copper Institute constructed for Myanmar a mining concern called the No.1 Mining Enterprise and this began produced 8,000 tons per day from Sabetaung and Kyisintaung in 1984. The project produced approximately 15 million tons of 1% copper ore from Sabetaung between 1985 and 1997(Ivanhoe, 1999).

In 1992 a joint-venture development began between the Ivanhoe subsidiary company and Mining Enterprise No.1. In 1994 Mining Enterprise (No.1) signed a feasibility study agreement with Ivanhoe. The Ivanhoe Myanmar Holding Limited (IMHL) was permitted to mine copper deposits in Sabetaung, Kyisintaung and Letpadaung areas. Ivanhoe Myanmar Holding Ltd and Mining Enterprise No.1 owned by Myanmar government signed the joint-venture agreement in 1996 and formed the Myanmar Ivanhoe Copper Company Limited (MICCL) based on two years study results with positives outcome for economic enrichment. According to the joint venture agreement-Bagan Copper Holding Limited (Ivanhoe Myanmar Holding

Limited) owned 50% of the project as a subsidiary company of Ivanhoe Mine Limited. The other 50% is owned by the Mining Enterprise No.1. The feasibility study for Letpadaung was finished and submitted in 1997. From 1997 to 2004 the copper production had been increased from 25,000 ton per year to 39,000 per year (MICCL, 2007). The Ivanhoe Mines had invested 100 million US\$ to expand the Monywa copper project in late 2005. Ivanhoe Mines Limited transferred 50% ownership including the property to an independent, third party Monywa trusted in February 2007 and received 103 million US dollars in August 2011 (Ivanhoe, June 2011). Wanbao, a subsidiary company of China Northern Industries Company (NORINCO) got permission to implement the large copper mine by Myanmar ministry of mining's notification no (003/2010) in March 5<sup>th</sup>, 2010 (Kyaymon, March 12, 2013). In June 2010, China North Industries Co (NORINCO), which is a Chinese state-owned weapon factory and the Myanmar military junta signed new deal for the Monywa copper mine project. In May, 2011 (NORINCO) finished a "Production Sharing Contract" with military-owned Union of Myanmar Economic Holdings Ltd (UMEH) for the rights to implement a copper production project in Monywa. On May 2011, the Chinese embassy announced the confirmation of the production sharing agreement for Monywa copper mine. It is the first direct investment for NORINCO in the Myanmar mining sectors and Wanbao Mining Company has been operating the mining activity as a subsidiary company with a joint venture between Myanmar Economic Holding Ltd (MEHL).

The implementation of the project could be using 7800-8000 acres (3157-3237) which will impact some of 26 villages around Letpadaung Mountain (Zerrouk & Neef, May, 2013). The following table shows the list of 26 villages.

Table 4; List of (26) villages

Sagaing Region		
Monywa District		
Salyingyi Township		
Ton Ywar Ma	Hpaung Kar(South)	Aung Chan Si
Ah Lel Taw	Moe Gyoe Pyin(Middle)	Pa Hlaung
Ton Ywar Thit	Moe Gyoe Pyin(North)	Taung Pa Lu
Htan Taw Gyi	Moe Gyoe Pyin(South)	Wat-Hmay
Thae Kaw Gyi	Se Te	Kan Taw
Lel Di	Zee Taw	Ywar Shey
Shwe Hlay	Kyauk Hpyu Taing	
Kyaw	Hpaung Ka Tar (South)	
Hpaung Kar (Middle)	Hpaung Ka Tar (North)	
Hpaung Kar (North)	Nyan Pin Gyi	

A Parliamentary Letpadaung copper mine investigation committee was formed on 1st December, 2012 with 30 members, led by Daw Aung San Suu Kyi according to the President's Office notification No.92/2012 (Kyaymon, March 12, 2013). It was confirmed with 16 commission members<sup>1</sup> on 3rd December, 2012 by the President's Office notification No. 95/2012 (Myanmar President Office, 4 December, 2012). Commission members reached Monywar's copper areas three times for field research to meet with villagers. The Commission held six meetings during the investigation process and meet with injured people and different

<sup>1</sup> See member list in section 2.1.3.

stakeholders. The Committee analyzed data from various sub-groups with relative fields including: law, environment, economy, mining engineers and community members (See the details the process of commission in section 4.3).

### 2.3.1. Chronology of Monywa Copper Mine Project

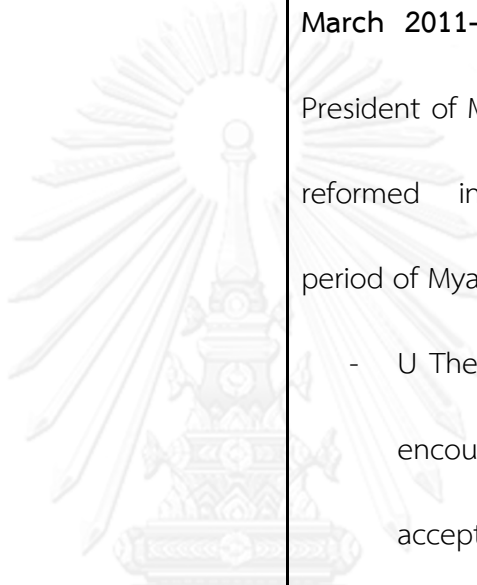

Company/ Project Milestone	Governance, Social Movement and impact in the ground
<p>1957-1986: Department of Geologic Survey and Explorations (DESG), Burmese and Myanmar Geological Agencies, United National Development Program (UNDP) and Yugoslav State Copper Mine Company drilled in four deposits in Monywa (Sabae, Sabetaung South, KyisinTaung and Letpadaung).</p>	
<p>Early 1980: RTB-Bor copper Institute from Yugoslav produce 8000 per day mine for ME 1 from Sabaetaung and Kyisintaung</p>	
<p>1985-1997: joint-venture between RTB-Bor and Myanmar's Ministry of Mining Enterprise No.1 (ME 1) produced copper in Sabaetaung and Kyisintaung.</p>	

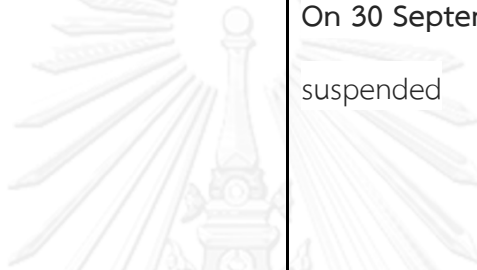
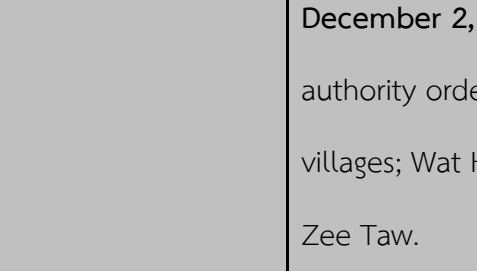
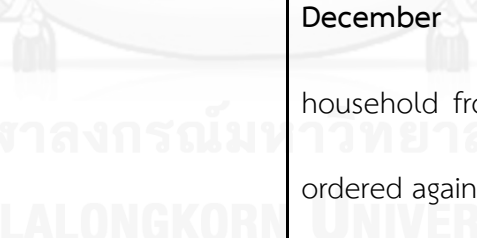


<p>15 million tons of 1% copper ore produce from Sabaetaung</p>	
<p>1992: Ivanhoe Myanmar Holding, Ltd. negotiates the joint-venture to produce copper from Monywa with heap-leach solvent extraction-electro winning process.</p> <p>March 1994: Ivanhoe did the feasibility study in four deposits: Sabetaung, Sabaetaung South, Kyisintaung and Letpadaung. Production in Sabataung which did not reach expectation because of old techniques and shortage of foreign exchange.</p>	
<p>1996: Joint-venture agreement between Ivanhoe mining company, Canada, and Myanmar's Ministry of Mining No.1 with 50-50 % interests in Sabaetaung, Sabaetaung South and Kyisintaung called (S&amp;K) project as first phase.</p> <p>- Ivanhoe Mines Ltd through its subsidy company Bagan Copper</p>	

<p> Holding Ltd (formerly lly know Ivanhoe Myanmar Holdings, Ltd) owns 50% of MICCL and the rest of 50% owned by the ME 1.</p>	
<p>1997: The feasibility study of copper from Letpadaung was finished and submitted by Ivanhoe, Canada Company.</p>	<p>August 1997: Canada imposed sanctions on Myanmar which prohibited business dealings by Canadian firms especially in the mining sectors. However Ivanhoe, the Canadian Company still implicated in the process of producing copper mining project.</p>
<p>1997-2004: Copper production was increasing from 25000 ton per to 39,000 ton per year.</p>	
<p>Late 2005: Ivanhoe Mining invested US \$ 100 million in the development of MICCL and its implementation process.</p>	
<p>Feb 2007: Ivanhoe Mining transferred 50% ownership to Monywa trust fund.</p>	
<p>March 5, 2011: Wanbao, a subsidy company of China Northern Industries Company (NORINCO) got permission to</p>	

<p>implement the large copper mine by Myanmar ministry of mining's notification no (003/2010).</p>	
<p>June 2010: A new deal was signed for the rights to produce copper mine in Monywar between NORINCO, China North Industries Cooperation, and Union of Myanmar Economic Holding Limited (UMEHL). (Leading by Prime Minister Thein Sein)</p>	<p>Dec 12, 2010- Monywar's authority mentioned land are hiring for three years in term of implementation of the Letpadaung project at Wat Hmay villages Meeting and announced that villagers had to accept the compensation as well as gave three promises;</p> <ul style="list-style-type: none"> <li>a) There will be no excavation or construction of buildings on villager land</li> <li>b) There will be no dumping of earth and mining by -products on their land</li> <li>c) Villager's lands will be returned in the same condition after three years(Justice Trust and Lawyer Network, 2013 ).</li> </ul>

	<p><b>Dec 18, 2010:</b> Five villagers leader removed from their position because they did agree the implementation of Letpaduang project.</p>
	<p><b>March 2011-</b> U Thein Sein become a President of Myanmar started democratic reformed in Myanmar. (Transitional period of Myanmar).</p> <ul style="list-style-type: none"> <li>- U Thein was arrested because he encouraged villagers not to accept the compensation.</li> </ul>
	<p><b>April 11, 2011:</b> Villagers were forced to accept the compensation by local authority.</p>
<p>May 2011: A “Production and Sharing Contract” was signed with 50%50 interests between UMEHL, Myanmar military owned company and NORINCO, Chinese owned company (Irrawaddy, October 14, 2013)”</p>	

<p>Aug 2011: Ivanhoe Mining Company got US\$ 103 million dollars through Monywa trust by selling the copper which they produced from S&amp;K copper project between 1996 and 2007(Mizzima, August 2011).</p>	<p>August, 2011: Civil Society Group reached and cooperates with local community.</p>
	<p>On 30 September 2011: Myit sone Dam suspended</p>
	<p>December 2, 2011: Monywa local authority ordered to relocated four villages; Wat Hmay, Se Te, Kan Taw and Zee Taw.</p>
	<p>December 5, 2011: Remaining 48 household from Wat Hmay village were ordered again to relocation.</p>
<p>Early 2012: Construction was complete and the mining operation went into full operation.</p>	<p>May-June 2012: Protest in front of Wanbao main construction office in Sar Lin Gyi because bulldozers destroyed cultivated farmland, and dumping soil near the villages.</p>

	<p><b>June 3, 2012:</b> A temporary agreement signed by representative of UMEH(U Paing), townships authority, the police and two monasteries on 3 June 2012.</p> <p>“Township authorities, representative of UMEHL, the police and two monasteries signed and confirmed temporary agreement which stated that:</p> <ol style="list-style-type: none"> <li>1) Dumping of soil would be temporarily halted</li> <li>2) Additional construction would be temporarily halted</li> <li>3) The Wat Hmany village monastery would be re-opened, and</li> <li>4) The remaining 43 households from Wat Hmay, Se Te and Zee Daw villages would not have to relocate”(Justice Trust and Lawyer Network, 2013 ).</li> </ol>
	<p><b>July 15, 2012:</b> Company put up signs board around villages access, farmland and compound and declared that these area were restricted under section 144 of</p>

	the Criminal Procedure Code.
	<b>October 8, 2012:</b> Establish “Letpadaung Salvation Committee (LSC)” with students, environmental advocates and community group of Monywa.
	<b>October 18-19:</b> Public meditation event conducted called “Contemplating Letpadaung Hill.”  A number of protestors in Mandalay and Yangon were arrested for demonstrating without permission.
	<b>October 26, 2012:</b> 11 women from Wat Hmay village lead by Thwe Thwe Win protest in Monywa and arrested by local authority.
September 2012: Wanbao Company got permission to hire the land for 60 years.	<b>November 19, 2012:</b> Villagers and monk serious complained about the destruction of Lay Di Sayardaw <sup>2</sup> site on Letpadaung hill and that encourage participating monks in the protest.
	<b>November 21, 2012:</b> Five or Six protest

<sup>2</sup> Lay Di Sayaw Site is one of a famous religious place in Myanmar.

	camp around the Wanbao construction site including up to 500 monks and 50 villages. .
	<b>November 23, 2012:</b> Pale Township MP Daw Khin San Hlaing (NLD) presented about Letpadaung issues in the National Parliament and requested investigation.
	<b>November 29, 2012:</b> Protest camps were crackdown by local authority using the white phosphorus contained smoked bomb which caused serious injuries to peace protestors.
December 1 <sup>st</sup> , 2012: Formed “Investigation Commission” for Letpadaung issues by the notification of Myanmar President Office (No.92/2012) with 30 members led by Aung San Suu Kyi.	
December 3 <sup>rd</sup> , 2012: “Reconstitution of Investigation Commission” by the President Notification No.95/2012 to now consist of 16 members (See Appendix C)”(Myanmar President	



Office, 4 December, 2012).	
March 11, 2013: “Investigation Commission Report” released that allowed to continue the project with recommendations.	
March 12, 2013: “Implementation Commission” formed to conduct the recommendation of Investigation report.	
July 12, 2013: Wanbao opened “Communication Office” in new village Zee Taw and Wat Hmay.	<b>September 30, 2013:</b> Due date to accept the increased compensation and implementation commission encouraged to accept the compensation to the villagers who resisting getting negotiation.
	<b>October 3, 2012:</b> Wanbao company covering fence on the farmland of villagers including who did not accept the compensation.
	<b>September 26, 2013:</b> U pain Denied that Lay Di Sayardaw site is not the historical place.
October 24, 2013: Wanbao, UMEHL and Myanmar Mining Ministry (1) re-signed the	<b>Oct 9, 2013:</b> Lay Di site destroyed by Wanbao Company which they violated

<p>“Product Sharing Contract”.</p> <p>Wanbao released a report about the Community and Social Development Team’s activities as implementation of CSR.</p>	<p>the “Investigation Commission’s” Recommendations.</p>
<p>November, 2013: Knight Piesold, hired by Wanbao, released the new draft of Environmental and Social Impact Assessment (ESIA)</p>	

#### 2.4. Knowledge Gap

In the transitional process of Myanmar, the development of the concept and practice of governance will serve as a crucial barometer indicating the true measure of the country’s transformation. Implementing large scale industries by inviting foreign investors has increased during this transitional period of Myanmar. Existing research has focused on its economic potential and positive impacts such as economic growth and employment. However in practice, large scale industries projects have resulted in negative impacts on human security (especially in terms of economic and food security) of local people living near these projects. The human security issues caused by large scale projects are emerging as a new issue in Myanmar, and research highlighting the negative impacts is still limited. Therefore, this thesis focuses on the process of development of a large-scale copper mine

projects and examines factors which had negative impacts by this project to fill the gap between the existing research and the real situation.



## Chapter III

### Economic and Food security in Monywa

This chapter intends to explain the changes in economic and food security in the livelihood of the community impacted by the Letpadaung copper mine project within three timelines: before Letpadaung copper mine project (2008-2010), pre-commission to the investigation of Letpadaung (2010-November 2012) and during and after the parliamentary commission report (November 2012-November 2013). An overview of Monywa district and Letpadaung project is provided in section 3.1 in order to understand the overall geographic and physical context of the area to later understand how the project impacted it. In section 3.2 changes in economic and food security within three different phases are described and analyzed. Then, section 3.3 provides a summary and conclusion of this chapter.

#### 3.1. Overview of study area

##### 3.1.1. Monywa District, Salingyi Township

The name Monywa came from 'Mon' meaning 'cakes or snack food' and 'Ywar' means village in Myanmar. Monywa district is one of Sagaing Region's districts in the north-west region of the country. The Sagaing Region is bordered by India to the North. It is situated north-east of Kachin State, east of Shan State, and west of Chin state; Mandalay Division and Magway are to the south (See also in Figure No.3). The Chindwin River passes through Sagaing Region at the western bank of Monywa city. Most of the area is a dry zone and temperatures are high throughout the year. The Monywa district is situated 136 km far from the town of Mandalay and is famous for its Buddhist temples. Lel Di monastery is one of several ancient monasteries located in this area and is a famous historical place in Monywa. The

Monywar district comprises of 8 townships and 195 villages. The Bamar (Burmese) are the major ethnic group and Buddhism is the main religion.

Salingyi is one of Monywa district's Townships which is 15 miles away from Monywa. The township is situated at the east side of Monywa city. There are four areas of copper around the city; Sabaetaung, Sabetaung South, Kyisintaung and Letpadaung. The Letpadaung copper mine is one of Monywa's copper deposits located between the Patheingyi-Monywa highway road in the North and Salingyi road in the East.

More than 80% of population are engaged in farming activities for their primary livelihood (Bell, 2009). Livestock raising, vegetable growing, producing palm product and casual labor are conducted as a secondary activity. Most of the villagers' livelihood depends on farming, forest products from the mountains and natural farm produce from the land for household consumption and income generating. Most of farmland in the region is used to grow rice and crops (wheat, maize, groundnut, sesames, cotton, and pulses) which are cultivated two or three times in a year on a farmland. Farmland watering is mainly dependent on rainwater since there are difficult challenges in building an irrigation system. Villagers who cultivated rice used it primarily firstly for their households' consumption and they would sell it for cash after they harvested it after that. The crops and paddy they sold for cash was then used to buy goods for household consumption. After the rainy season the Chindwin river bends and its tributaries also became farm land for

the villagers as they would form Islands.<sup>3</sup> Millions of onions and kilograms of sesame are produced from that land every year (Kyaw Tint, 2013). The average daily income in these villages was about US\$ 2-3 per day.

All these activities such as crop farming, livestock raising, growing vegetables and producing farm products are mostly for generating income. Most households sold their products in the Sar Lin Gyi Market. For household consumption they usually obtained their needs from their farms and bought other things which they needed from the Sar Lin Gyi Market. Villagers could get anything else they needed for daily basic household consumption from the village's domestic shop.

### **3.2. Economic and Food security situation within the three timelines**

This section provides the livelihood situation in the areas around the Letpadaung copper mine's project area from an economic and food security perspective. In section 3.2.1, the period 2008-2010 before the project discussed because Myanmar Military government and Chinese Company discussed for the implementation of project but it had not conducted on the ground. The data discussed about four villages in this period: Wat Hmay, Kan Taw, Se Te and Ton Ywar Ma because the original villages place before the project. In section 3.2.2, the period 2010-November 2012 is discussed because the project is implemented before the investigation commission formed. This section discussed about the original villages; Wat Hmay, Se

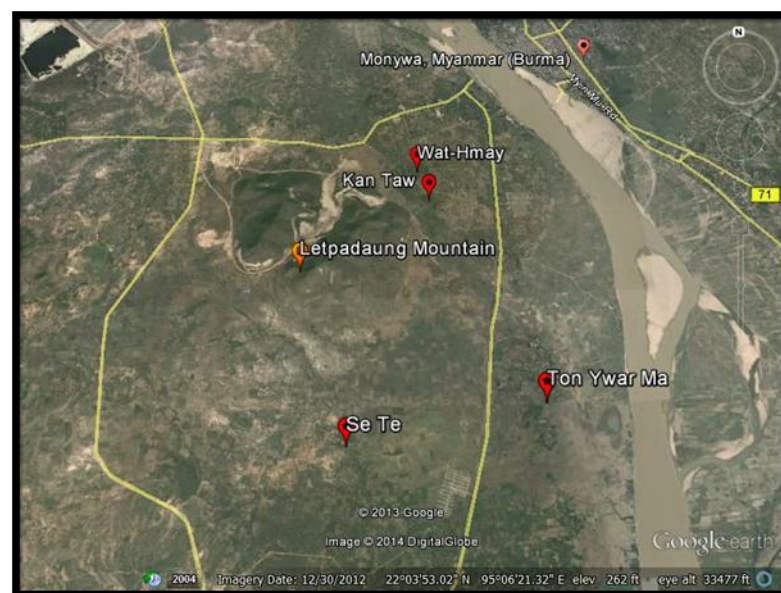
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<sup>3</sup> Deposit from Chindwin River remain as an island after the rainy season and is very rich allowing for good crop cultivation especially groundnuts, onions and sesame.

Te and Ton Ywar Ma and also discussed about the resettle villages; New Wat Hmay and New Se Te.

In section 3.2.3, the period from December 2012 to November 2013 is discussed because the investigation commission inquired about the project and made decisions. The original villages Old Wat Hmay, Old Se Te and Ton Ywar ma are discussed. Moreover data discussed the resettle villages; New Wat Hmay and New Se Te also discussed in this section.

Figure 3: Old Villages around Letpadaung Mountain



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### 3.2.1. Before Letpadaung copper mine project (from 2008 to 2010)

Before Letpadaung copper mine project began with the joint-venture between a Chinese company and a Myanmar military owned company in Salingyi Township, there were already other copper mine project in Moywar. One 72-year old villager said that

*“Since our childhood so many organizations produced copper around these villages, such as the Yugoslavian company, but it was not successful and then the Canadian Company invested in another mine which also did not work out. The previous projects were not interested to produce copper from Letpadaung and focused on Sabae Mountain and Kyisintaun”(Investigation Commission Member, personal communication, July 2, 2013).”*

### **3.2.1.1. Economic Security-Overview (2008-2010)**

This section describes the situation of economic security in the Letpadaung community before the project from 2008-2010 by looking at three categories: access to income, employment and housing. Wat Hmay, Kan Taw and Se Te were grouped together because economic securities are very similar. Ton Ywar Ma village was the richest village among these four villages with different sources of income and had a slightly different economic security situation compared to the other villages.

#### **Overview: Level of income in four villages (2008-2010)**

Access to income was different in each household’s livelihood in these four villages (See Table 5). Farming crops and rice were the main source of income and food for the villagers. Farmers made between 400,000<sup>4</sup>(\$450) to 1,200,000(\$1350) Kyat per year based on the season, the size and the quality of the land and frequency of farming and production of products. Villagers who did not own land earned between 2000(\$2) to 3000(\$3) Kyat per day by selling forest products or working as casual laborers. Villagers said, *“We earn at least 2000 Kyat per day selling*

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<sup>4</sup> Myanmar currency 1\$ =890 Kyats



*forest products or working as a casual laborer in the village or in Monywar” (Group discussion# ST, June 29, 2013).*

Villagers mainly practiced farming to obtain an income and considered other employment as secondary. The majority of villagers said that their income was sufficient for their base livelihood, if there were no other issues such as health problems or natural disasters. There was no health insurance system to support villagers if they had a disease or accident. Drought was one of the challenges villagers faced to get water in the dry regions (Villager# WH2, KT3, ST3 and T4, personal interview July, 2013). Some villagers who did not own land said that their income was reduced after the farming season based on their occupation. Those who did not own farming land had difficulties in getting regular employment because most of them did not even finish high school. They greatly depended on the information of village leaders and their friends for temporary jobs after the farming season. Some villagers said that they had to go other towns or villages to find a job.

**Table 5; Economic Security in Four Villages**

	Wat Hmay(5)	Kan Taw(5)	Se Te(5)	Ton Ywar Ma(5)
Household in the village	110	97	168	170
Main Occupation	Crop Framing=3 Rice Farming=1 Other=2	Crop Farming= 1 Rice Framing= 1 Other=3	Crop Farming=2 Rice Farming=1 Other=2	Crop Farming=4 Other=1
Secondary Occupation	Causal worker = 1 Livestock = 3 Palm	Causal worker=1 Livestock =2 Small	Livestock =1 Casual worker=2 Small business=1	Small Business=3 Causal Worker=1

	Products=1	Business=1 N/A=1	N/A=1	N/A=1
Do you own land?	Yes=3 No= 2	Yes=2 No=3	Yes=3 No=2	Yes=4 No=1
Which kind of crops do you cultivate?	1. Corn 2. Sesame 3. Garlic 4. Onion 5. Bean	1. Sesame 2. Bean	1. Rice 2. Sesame 3. Bean 4. Crop 5. Sunflower	1. Corn 2. Sesames 3. Weat 4. Onion 5. Garlic 6. Ground nut
Range of Income(per year)	Approximately 150,000 kyat to 1,000,000 Kyat	Approximately 150,000 kyat to 1,000,000 Kyat	Approximately 150,000 kyat to 1,000,000 Kyat	Approximately 200,000, Kyat to 1,200,000 Kyat

**\*In depth interview (Randomly set) \* other= some villagers main income are not coming from farming.**

#### **Economic Security in Wat Hmay, Kan Taw and Se Te (2008-2010)**

Most households in these villages relied on rice and crop farming for their base income. There were 110 households and over 1000 acres of farmland in Wat Hmay and two-thirds of the village's farmland was used for cultivating crops while the rest was left for rice cultivation. Kan Taw village had 97 households and 500 farmlands with the majority of farmland used in crop farming and only 25 acres used for rice cultivation. There were 168 households in Se Te village that mainly was focused on crop farming.

The villager's main income derived from farming crops and rice. Two or three kinds of crops were cultivated on the farmland in a year based on the size and quality of land (group discussion in KT#, June 27, 2013). This meant that crop farming was cultivated two times a year; from April to July and September to December. In

Photograph 1, villagers are seen scattering sesame seeds on the ground after the harvest and drying them under the sun in July; villagers who did not own land are working as daily laborers who worked to scatter sesame seeds.

**Photograph 1; Scattering sesame seeds from harvest and drying under the sun**



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With regards to employment, villagers do other activities to increase their income such as small business, raising livestock, selling *palm products*<sup>5</sup> and working as casual laborers. Villagers from the Wat Hmay and Se Te villages focus on raising livestock as a secondary income. Villagers said that they sold cows, goats and sheep

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<sup>5</sup> Palm branches use as a roof of house in these villages and also get palm juice, jiggery.

if they needed money after the farming season (Villager# WH1 and ST2, personal interviews, June 28, 2013). One Se Te villager said that he was working as a butcher and his main income was selling meat but he also occasionally worked as a casual laborer (Villager # ST3, personal interview, June 29, 2013). One villager said

*“My main livelihood is crop farming but I also work as a hair dresser and tailor after the cultivation season”* (Villager# ST1, personal interviews, June 29, 2013).

Villagers who do not have land to farm work as casual laborers in the village on farmland and also in Monywar city. Another villager also said that,

*“I get income by working in farmland which needs workers during cultivating and harvesting time because I don't have land. Sometime I go to Monywa as a casual worker and sell forest products”*(Villager # KT2, personal interview, June 27, 2013).

Farmland owners hire casual workers during the farming process and they depend on each other. One villager mentioned that *“I own over 50 palm trees and I get income by selling palm products* (Villager# WH3, personal interviews, June 28, 2013). They sell their products in Salingyi and Monywar markets.

There is one primary-school and one monastery in each village but no health clinic or irrigation system. These villages use batteries or candles to get light in the night time and refilled batteries near the national electricity grid when they could.

In term of housing in these three villages, most of the villagers entire houses were built in the traditional style and were built largely with bamboo. Various materials were used for the roof such as thatch made from broad-leafed grass, palm

fronds and zinc sheets as well as keeping a space beneath the house which was used as a place to meet with visitors. Rice storage space was also included in every household in their yard to keep their rice, paddy, sesame and cattle. The space within the household yard was large enough to raise livestock.

### **Economic Security in Ton Ywar Ma Village (2008-2010)**

Ton Ywar Ma Village is included in the Ton village tract and there were 170 households in this village. Ton Ywar Ma villagers mainly focused on crop farming to improve their basic income. Ton Ywar Ma villagers benefit from the village location which is situated near the west bank of the Chindwin River. This served as an irrigation system utilizing water from the Chindwin River for farming. This village is richer than the other three villages (Wat Hmay, Kan Taw and Se Te) because they could cultivate additional crops on the island beside the Chindwin River from October to April. It meant that they could cultivate their crops one additional time a year compared to the other three villages. Their income was also higher than the other three villages. Villagers from other villages come to Ton Ywar Ma to work as casual laborers after the farming season in their villages. *“We depend on each other for our income every year,”* said one Ton villager (Villagers # T1, T2 and T4, personal interview, July 1, 2013). Ton Ywar Ma in this way created gainful employment for other villagers.

Most of Ton Ywar Ma villages' houses were built in the traditional style with wood and the roof covered with zinc sheets. In addition the village was full of other small-income generating practices such as small businesses; shops for household daily needs, and even a shop for renting movies. There was one high school in Ton village as well as monasteries, which were present as well in each village, and they

also had electricity from the national grid which was upgraded by Wanbao Company in 2010.

Photograph 2; A house in Ton Ywar Ma Village



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### ***3.2.1.2. Food Security in the four villages (2008-2010)***

Food security means access to basic food and water; not only to an adequate amount but also to adequate nutrition. To determine food security in this section the researcher used the definition in section 1.4.1: access to food and access to water. In the three villages of Wat Hmay, Kan Taw and Se Te's the food security was different compared to Ton Yar Ma village's food security.

#### **Overview: Access to food (2008-2010)**

In the Monywa District, Salingyi Township, villagers got their food from their farming such as rice, paddy, sesame, groundnuts, sunflowers and livestock and they buy their daily needs in the village shops or in Salingyi market. Their main food was

rice which they either cultivated from their land or bought from the cash that they obtained when they sold their crops. Villagers said that they sold rice and crops and bought rice with the cash obtained from the market. They also used cash to buy other goods like meat, vegetables and fruits. Moreover they also got food and herbal medicine from the Mountain which also supported the feeding of their animals. The vice president of the Letpadaung Rescues Committee (LSC)<sup>6</sup> said that *“Letpadaung Mountain supports some part of the livelihood for villagers such as food and herbal medicine and it is very valuable for local communities”* (LSC, personal interviews, June 26, 2013).

#### **Overview: Access to Water (2008-2010)**

There are different source of accessing water base on the situation of villages. Most villages get water from wells and rain water and some villages like Ton Ywar Ma get water also from Chindwin River. Rain water is one of an important resource for villages and trying to keep the rain water with lake in every village while wells is reduce water in the dry season. Wells are the main resources of water for people's daily live for villages which far from the river.

There are two different kinds of wells based on the quality of water: salt water well and sweet water wells. Villagers use sweet water for their daily use; especially for drinking water. For agriculture they only use salt water. Villagers use water from wells for drinking, cooking, bathing and farming. Villages near Chindwin

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<sup>6</sup> Letpadaung Salvation Committee (LSC) is a community based organization which was established in August 2012 with Monywa's citizens who would like to protect against the destruction of Letpadaung Mountain.

River do not need to worry about their access to water whether in the dry season or not.

**Table 6; Food security of four villages**

	Wat Hmay(5)	Kan Taw(5)	Se Te(5)	Ton (5)
Do your households enough food for the whole year? *	Yes=3 No=1 Don't know=1	Yes=2 No=1 Don't know=2	Yes=3 No=2	Yes=4 No=1
Source of Water **	Sweet Water Well in every house	1-Sweet Water Well in village	2- Sweet Water Well in village	Sweet Water Well in every houses

\*Researcher own interview

\*\* Data from Letpadaung Rescue Committee, July 2013.

#### **Food and Water Security:Wat Hmay, Kan Taw and Se Te (2008-2010)**

Two kinds There were two kinds of farming practices in these three villages: crops, rice and they got foods and vegetables from the farm. Wat Hmay's villagers said that

*"I have 1.7 acres of land and get rice from my land. I sell the rice and buy the basic needs of my household consumption"* (Villager# WH2, personal interview, June 28, 2013).

Moreover, they also got vegetables and food from the Mountain. Villagers also mentioned that Letpadaung Mountain supports farmland for raising livestock for their animals (group discussion# WH and ST, June 2013). Some of the villages raised



livestock as a form of secondary income such as Wat Hmay, Kan Taw and Se Te and thus depended on Letpadaung Mountain's farmland for their animals such as goats, sheep and cows. Photograph 3 shows a group of sheep going to the farmland near Letpadaung Mountain.

**Photograph 3; Group of Sheep going to farmland at Letpadaung Mountain**



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There were two sources of obtaining water in Wat-Hmay and Kan Taw; wells and rainfall. Normally there were lakes to keep water from the rainfall which were used in the dry season. Nearly every household of Wat Hmay had wells and they also got water from the monastery during the dry season.

*“We do not need to worry about water because we can get water by digging in our yard and it can be used for drinking”* (Group discussion# WH, June 28, 2013).

Wat Hmay villagers used water from wells for their daily life, drinking water and agriculture. A Se Te villager said that

*“Water from salty wells cannot be used for drinking but we use it for sanitation and agriculture. There are 5 wells in the village and only 2 wells are sweet water wells that can be used for drinking”* (Villager # ST4 and ST5, personal interview, June 29, 2013).

These meant only 2 wells could be used for drinking water; one in the center of village and another one in the monastery. Se Te villagers also got water from the lake when they could. They said that

*“We could not get water from the lake because of rain drought, and the monastery wells have been salty since 2007-2008. We have to go to Kyaut Pyu Tai village to get drinking water in the dry season”* (group discussion# ST, June 29, 2013).

It meant that Se Te village usually faced difficulties in the drought season which was worsened as they could not use monastery wells for drinking water.

Kan Taw village got its water from two wells which were situated far away from the village and also from the lake. Villagers also mentioned that during the dry season they had to take water from Kyaut Phyu Tai which is located about 1 mile away from the village. Villagers said that they had difficulty to get drinking water in the dry season even though they stored rainfall water (Villager# KT3 and KT4, June 27, 2013). Thus these villages' had challenges to obtain water for drinking, daily and household use and farming in the dry season.

### **Food and Water Security in Ton Ywar Ma Village (2008-2010)**

Ton Ywar Ma village was different from the other three villages in that they were mainly focused on crop farming and getting vegetables and oil from their

farmland. This village and its inhabitants were richer than other three villages (See also in 3.2.1.1.). They could also buy needed food within village from its various small grocery shops. One villager who was operating a small shop in the village said

*“I do farming and also operate a small shop which sells basic needs of the village households at the same time”* (Villager# T1, personal interview, July1, 2013).

This meant that villagers could gain access to food within the villages’ small shops and also from the Salingyi market which was only 20 minutes by motorbike from the village. They sold their crops and its products such as: sesame, corn and wheat and in return bought rice and meat in the Salyingyi market as well as obtaining meat from Se Te village.

Ton Ywar Ma village had three sources to get water to use for household use drinking and farming. These sources were rain water, wells and the Chindwin River. Although villagers got water from wells and rainfall, it was not enough to be used for farming and the Chindwin River played the crucial role in providing enough water to support farming. This constant availability and its advantage made this village richer than the other villages, especially since they could use irrigation systems to get water from the river even in the dry season.

### **3.2.2. Pre Commission to Investigate Letpadaung (2010-November 2012)**

This section described about compensation, land grabbing and resettlements before the investigation commission was formed. It discusses the situation of economic and food security of the local communities.

### **3.2.2.1 Economic Security (2010-November 2012)**

#### **Overview: Compensation and land grabbing (2010-November 2012)**

The amount of compensation was one of the main problems which caused increasing resistance from the local communities against the Letpadaung project. The government and company did not keep their promises and lands were taken with unfairly low compensation. At the beginning of the project the compensation given to the villagers was only for the use of their farmland for three years. According to the Justice Trust and Lawyer Network report, the compensation for the villagers would be paid by Wanbao Company and this would only be 530,000 kyat per acre under the category of three years use of land to implement the project. The Monywa district governor, U Khin Maung San promised that three requests of the villagers would be fulfilled which were; no excavation or construction of buildings on their land, no dumping of earth and mining by-products on their land and that the land would be returned in the same condition after three years. These assurances were given by the district governor at Wat Hmay's village meeting on 12 December, 2010 (Justice Trust and Lawyer Network, 2013). However the authorities subsequently closed Wat Hmay's monastery and local primary school and immediately embarked on a large scale construction project. Large areas of land were cleared and buildings were constructed for mine workers on the farmland. The project was kicked off with earthworks and construction was completed in early 2012 with over one hundred buildings for Chinese mine workers to live in. Villagers said that they were worried about not being able to return back to their farmlands as well as being worried about the quality of the farmland itself because the company had destroyed

cultivated farmland and was dumping contaminated soil on the village farmland (Villagers# KT2, ST4 and WH1, personal interview, June 2013).

In April, 2011 villagers were forced to accept compensation without even knowing what was written in the contract (Detail discussed in Section 4.2.1.). A Wat Hmay villager said

*“Almost all villagers had to accept the compensation regardless of whether they wanted to or not, without any chance to complain and we also hoped that we would get back the land after three years as originally promised”*

(Villager# WH1, personal interview, June 28, 2013).

Villagers simply had understood and believed that they would be able to use their farmland again after the company had used it for three years. An activist from PPFBN said that

*“At first the government said they would use the land for three years but the land was then leased for 30 years and then the lease itself increased to 60 years”* (PPFBN, personal interview, June 30, 2013).

Moreover, the residents of four villages were evicted from their homes and land, and as a result, displaced. Although some households agreed to relocate to new villages built for them, 48 households resisted moving to these new villages. Villagers seriously requested the company and authorities to keep their promise multiple times and obtained temporary agreement as well as a confirmation letter that was signed by representative of UMEHL (U Paing), the township authority, the police and two monasteries on 3 June 2012.

“Township authorities, representative of UMEHL, the police and two monasteries signed and confirmed a temporary agreement which stated that:

- 1) Dumping of soil would be temporarily halted
- 2) Additional construction would be temporarily halted
- 3) The Wat Hmay village monastery would be re-opened, and
- 4) The remaining 43 households from Wat Hmay, Se Te and Zee Daw villages would not have to relocate”(Justice Trust and Lawyer Network, 2013 ).

Wat Hmay and Se Te villagers had been ordered to move and were taken to new villages established for them. The new villages were established in a nearby area by using the old village’s name; Wat Hmay(New), Kan Taw (New), Se Te (New) and Zee Taw(New). Villagers were forcibly displaced and relocated to these new villages (see next section). The following table shows the list of resettled households and land lost.

**Table 7; List of Land grabbed by The Company**

No	Village Name	Villages Tracts, Township	Households in the village	Resettle Households to a new village	Announced to take land from villages
1.	Wat Hmay	Ywar Shay,Salingyi	110 Remain= 48	62	Over 1000 acres
2.	Kan Taw	Ywar Shay,Salingyi	97 Remain=0	97	500 acres

3.	Se Te	Hpaung Ka Tar, Salingyi	168 Remain=67	101	Over 800 acres
4.	Ton Ywar Ma	Ton, Salingyi	170	-	100 acres

\*Wat Hmay and Kan Taw villages' land was grabbed in order to establish new villages.

\*\* This data was collected from villagers and the estimated land lost is different with the report of the parliamentary investigation commission. The commission is report only mentioned land grabbed by the company and did not mention in detail the land that was announced would be taken in the future.

#### Housing and Resettlement (2010-November 2012)

Four villages ( Wat Hmay, Se Te, Kan Taw and Zee Taw<sup>7</sup>) were ordered to relocate to a nearby area on 2 December, 2011(Justice Trust and Lawyer Network, 2013 ). The relocation of these four villages meant that villagers would not get their land again which was against what the local government had promised. The field coordinator for farmer's issues from the 88<sup>th</sup> Generation Student organization said that when

*"I reached Letpadaung Copper mine project in March 2012 and two villages had been forcibly displaced. There were only 3 houses left in Kan Taw out of 97 and only 48 houses left in Wat Hmay out of 110"* (88<sup>th</sup> generation student, personal interview, July 8, 2013).

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<sup>7</sup> This village is not included in the researcher interviewed.

Many villagers resisted moving to the new village. However some villagers moved to the new villages because they said that,

*“If we move to the new villages as early as we can, we will get the highest standard of housing and employment from the company”* (Villager# KT4, personal interview, 27 June, 2013).

It meant that the company provided various standards of housing with different quality and quantity of land yard. All houses in the new villages were built with wood and had a zinc sheet roof. The Wanbao Company provided compensation for the damage of houses from the old villages to the value of at least 35,000 kyats to 1 million kyat per 1 square inch. Companies provided houses for the villagers with various types of houses. Type A and Type B were the two different types of houses offered where type B was smaller than type A. Type C and D were one building houses and Type D was smaller than Type C (PPFBN, personal interview, June 30, 2013). Most of the villagers were satisfied with the houses in the new villages; however some villagers complained about the quality of houses saying that those who were relatively well-to-do villagers who had better houses in the old village received the same better quality houses in the new village.

One villager said,

*“I received compensation in April 2011 which was based on the calculated old house value and I could request more money to upgrade the new provided house. The compensation for type of house was divided into A class, B class, C class and D class. 1000000 kyat for A, 800000 kyat for B, 600000 kyat for C and 400000 kyat for D. I got 400,000 kyat from the company to repair the house”* (Villager# ST1, June 29, 2013).



It meant that company provided additional compensation to repair the replacement houses in the new villages. However the limited space of the house yard made it challenging to carry out livestock rising. A Se Te villager reported that,

*“I had cows and goats in the old village because we got food from Letpadaung Mountain to feed them. But in the new village my house Did not have enough place to keep them and farmland is continually being destroyed as the project is expanding. Most people in new village sold their cows and goats. Only some parts of mountain still have farmland and the old village’s residents are the only ones who still have cows and goats. We are depending on Letpadaung Mountain for the animals’ farmland”*  
(Villager# ST3, personal interview, June 29, 2013).

There was a great loss in potential in losing farmland not only for the villagers but also as a source for animal food because of the expansion of the project. As a result, villagers in the new villages had sold their cattle and no longer practiced livestock rising as a form of employment. Most of villagers who resettled in the new villages now worked as casual workers in Monywa. The companies assigned villagers from the four villages to work as operational workers in the copper mine. However villagers said that

*“Villagers from the old villages do not want to give us jobs as temporary workers in their farmland because they believe the company abd us betrayed them. Therefore I am going to Monywa to work as a casual worker”*  
(Villager# KT4, personal interview, June 27, 2013).

*“Actually the companies assigned us as casual workers not as operational labor and also is not able to provide work for every household in the new villages” (Villager# ST 1, personal interview, June 29, 2013).*

The Investigation Commission Report found that MEHL and Wanbao Company donated school books, school uniforms and facilities to the new Wat Hmay and Kan Taw villages. The company also repaired the Thar Yar Kone village’s bridge and also repaired the Moe Kyoe Pyin and Paung Kar dams. The companies also provided support in building wells in the new villages and donated water purification machines for every village. Villagers from the new villages said they could get access to water and electricity for 24 hours a day which was provided by the company. They mentioned that accessing electricity for 24 hours upgraded their standard of living (Villager# ST3, KT 2 and KT 4, personal interview, June, 2013).

**Economic security in Old villages: Old Wat Hmay and Old Se Te (2010- November 2012).**

Old Wat Hmay village was one of the villages that lost the most land, as companies took over 1000 acres of land. 62 households out of 110 households had resettled to new villages but 48 households resisted the move to new village (See table 3.3.) For those villagers who needed to access their farmland in order to farm, they admitted that,

*“If there was no mining activity or construction, villagers could still farm on their farmland. Although the company had acquired the farmland, the project is not yet utilizing this land, so we still did farming” (Villager# WH1 and WH5, personal interview, June 28, 2013).*

It meant that villagers could still practice their farming and there was no challenge to access their livelihood in recent time. One old Wat Hmay villager said that

*“I have to sell goats this year because my crops were destroyed by the project vehicles even though they allowed farming on the land” (Villager# WH1, personal interviews, June 28, 2013).*

This meant that the villagers' farmland was no longer secure to practice farming despite the fact that they are still able to access the land. Villagers were forced to consider other employment as a consequence of this loss of land. Old Wat Hmay's villagers emphasized on livestock rising and palm producing.

Old Se Te village residents were also forcibly removed from their original village and lost over 800 acres of farmland, leaving only 67 households out of 168 households. Villagers also emphasized a change in livestock rising, as one villager said,

*“Wanbao is sure to take our land for the expansion of the project and we will not be able to use our land for many years. So our income will be reduced in the future. So I am thinking to increase the size of my livestock in order to get more money” (Villager #ST2, personal interview, June 29, 2013).*

Villagers said they had to work as temporary laborers in other villages farmland due to loss of their own farmland. Villagers from Se Te and Wat Hmay village said that they were re now working as temporary workers in the production of palm products (Villager# ST5 and WH4, personal interview, June, 2013). Villagers also

mentioned the job opportunities provided by the company. One old Wat Hmay villager said that

*“Some villagers got jobs in Wanbao Company but it was prioritized for villagers who had resettled in the new villages. Also, the company will not be able to create employment for all of the villagers in the new villages” (group discussion# WH and ST, June, 2013).*

It meant that job creation and opportunity from the company was limited especially for those who had resettled in the new villages. Villagers from the old villages were not offered employment as commonly, and they were worried about their future employment. One villager said that *“Some villagers were working in Ivanhoe Mining Company and when the company left; the villagers had no employment”* (Villager# WH1, personal interview, June 28, 2013). They learn that these were the experiences that many of the old mine villages near Sabae and Kyisintaung Mountain faced. Villagers who were working as casual workers also increased due to the loss of their farmland and the compensation too low to start new businesses or other forms of employment. One Old Se Te villager said,

*“I hoped that I would be able to do my farming after they [the company] used my land for three years, but later I invested my compensation into farming and it was destroyed. So I had to work as a temporary worker in some other villager’s farmland” (Villager# ST4, personal interview, June 29, 2013).*

A new compensation rate was increased to 500,000 kyat per acre for three years was started by the company from 2010 but it was still not enough to start a new form of gainful business and thus provide an alternate livelihood for villagers.

Moreover, many of the villagers spent the money because they believed that they could continue to go back to farming after three years (See Section: Land grabbing and compensation).

Old Se Te villagers emphasized livestock raising as a secondary form of employment before the project, but in later days, it became the main form of employment. Production of palm products also increased as a form of employment and a source of income.

In the villages of old Wat Hmay and old Se Te, the previous secondary form of employment became the main source of employment and income for the villagers. Due to the loss of land from the land grab by the company, the villagers were forced to reduce their farming and emphasize livestock raising and small business. The only choices for the villagers who lost farmland and could not continue farming were to work as temporary laborers and casual workers in other village's farmland who could still continue to farm in Monywar area.

#### **Economic Security in Old Village; Ton Ywar Ma (2010- November 2012)**

In total, 600 acres of farmland was taken from Ton Ywar Ma village but villagers were not required to move to new households or villages. Although there was a large portion of farmland taken by the company, villagers could still use the nearby island for farming. In recent days, their village began providing employment as day laborers for the villagers from the other villages who no longer have farmland to cultivate. Casual workers increased in their farmland according to Ton Yar Ma villagers. One villager said that

*“Normally it is difficult to get casual workers to hire for cultivation but this year there are a lot of casual workers available since the beginning of the cultivation season ” (Villager# T3, personal interview, June 1, 2013).*

#### **Economic Security in the New Villages: Wat Hmay, Kan Taw and Se Te (2010-November 2012)**

At the time of data collection, most of the villagers had no jobs and were only using their compensation for their survival. New Se Te villagers who resettled in the new Se Te village for three months said that

*“Recently, I have no income and am using the compensation got for my farmland for my daily living needs” (Villager# ST1, personal interview, June 29, 2013).*

This meant villagers who resettled in new villages received compensation but could not find land to farm on their own. Therefore, villagers in these new villages were thinking of a new kind of employment and ended up working as company workers.

Wanbao Company mentioned that they provided job opportunities for the villagers who lost farmland but the criteria for these job vacancies was not clear at that time. Villagers said that

*“Some villagers are working in the company at a low skilled level of work areas such as security, laundry and housekeeping. The company also promised to give employment for every household in the new villages but it actually cannot support all of these households” (Villager# WH4, ST2, KT1, personal interview, June, 2013).*

It meant the company could not support employment for every household which had been resettled in the new village.

On the other hand, villagers sold their animals to get income, as well as because livestock raising could not be practiced in the new villages. Villagers also reported that

*“Some villagers sell groups of goats and cows because of the limitation of the house yard” (Villager# KT1 and ST3, personal interview, 27-29 June, 2013).*

There are some villagers who practiced farming in the new villages. Se Te villagers said

*“Three households kept cows for farming. They bought some farmland in new village for farming” (Villager # ST3, personal interview, June 29, 2013).*

### **3.2.2.2. Food Security (2010-November 2012)**

#### **Access to Food and Water in the Old villages: Old Wat Hmay and Old Se Te (2010-November 2012).**

The changes in employment in the old villages have slightly impacted the old villages. Most of the villagers sold their agricultural products and bought rice with that money. Although villagers could still farm on the restricted farmland as mentioned above, there was still an impact on the access to food in the old villages. Even when the villagers could farm on their land, they reduced the quantity of farming done because they knew that the company could use that land at any time. One Se Te villager said that

*“I do only farming and I own 2.3 acres but I do farming only in 1 acre in this year because I don’t know when the company will dump soil again on this farmland ”(Villagers# ST2, personal interview, June 29, 2013).*

One villager who does not farm but instead works as casual worker also said

*“I am working as casual worker for daily food. I get between 2500-3000 kyat per day. I used to produce oil from farming but now I have to buy oil also and this money is not enough” (Villager# WH5, personal interview, June 29, 2013).*

Villagers who farmed previously did not need to buy cooking -oil<sup>8</sup> because they got it from their farm. But now, because of the loss of farmland, villagers had to use extra money to purchase oil. For villagers who changed their main employment from farming to livestock rising, they experienced challenges in accessing food for their animals. Villagers said they had severe challenges in getting food for animals since Letpadaung Mountain’s area has been restricted. The mountain previously supplied forest food and farmland for animals (group discussion# ST, June 29, 2013).

Access to drinking water is noticeably different in the old villages due to the changes of water taste. The water from around Letpadaung Mountain’s villages has changed because of the implementation of the project. An activist from the Yangon People Honorable Network said that

*“When we reached Se-Tae village in August, 2011, we could drink water from the village wells. But the water quality has become worse over the past few*

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<sup>8</sup> Villagers get cooking oil from sunflowers, bean and sesame.



*months. We got itchy if we took a bath with that water”* (YPHN, personal interview, June 18, 2013).

He continued reporting that some wells in the area were no longer drinkable or usable. Locals situated near the main project had reported their need to buy bottled water, but those who could not afford it had no choice but to drink contaminated water (Zerrouk & Neef, May, 2013).

Dr. Kyat Tin reported that mining methods which utilized large amounts of sulfuric acid in the extraction of copper had damaging effects on the environment and this is the method that has been used at Letpaduang (Kyaw Tint, 2013). Se Te old village's inhabitants reported that they experienced challenges in accessing water for drinking, daily use and agriculture. They had to go to other villages to obtain drinking water which was around 1 km farther from their village (group discussion# ST, June 29, 2013).

This increased the concerns of the local community on accessing drinking water and water used for agriculture. Moreover, local water resources have been damaged by mining explosions on the Mountain. In a group discussion in Wat Hmay old village, villagers said two fresh water wells were damaged by a routine blasting works carried out by the mining company and they could not access water any more but the Wanbao Company did not take any responsibility for these incidents (group discussion# WH, June 28, 2013).

#### **Access to food and water in old village: Ton Ywar Ma (2010-November 2012)**

There are no significant changes regarding accessing food or water in Ton Ywar Ma village during this time period.

Photograph 4; A well in Ton Ywar Ma village



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**Access to Food and Water in New villages: New Wat Hmay, New Se Te and New Kan Taw (2010-November 2012)**

Villagers in the new village had to use cash to buy basic food such as rice, oil, meal and vegetables. They could still get vegetables from the mountain but oil had to be bought by cash. A Kan Taw villager said,

*“I don’t need to worry about oil in the old village because I got it from my farmland. Now I have to use more cash for oil and other elements in the new village”* (Villager# KT4, personal interview, June 27, 2013).

This meant that villagers could access other elements such as oil and vegetables while farming in old village. Wanbao Company provided instant noodles and rice for villagers very often. Villagers who have been in new villages for five months said

*“I received food provided from Wanbao twice within five months. At the first time, Wanbao Company gave rice and one chicken per household”* (Villager# ST1, personal interview, June 29, 2013).

The company also provided access to water in the new villages and villagers did not need to worry about water at the time of data collection. Villagers from new Se Te village said that

*“We only had two wells in the old village and faced difficulties after the rainy season and had to go to the village wells. The Company was giving water through pipelines which reached directly to our houses and there was no salty taste”* (Villager# ST 3, personal interview, June 29, 2013).

Access to drinking water and water for daily use was secure in the new villages. Villagers from Wat Hmay old village said that

*“In the old village we did not need to pay money for water. They (villagers who live in new villages) have to pay if the company charges for water in the future and they will use extra money for water”*(Villager# WH1, personal interview, June 28, 2013).

In recent days, the company provides electricity and water free of charges in the new villages but the Se Te villagers said that there will be a committee formed to charge for electricity and water.

### **3.2.3. During and After the Parliamentary Investigation Commission’s Report (December 2012-November 2013)**

The following section details the Investigation Commission’s findings and recommendations about the Letpadaung case and analyzes and compares the report with the data that researcher obtained from the field research.

On 12 March 2013, the Investigation Commission published a report on the investigation of the Letpadaung situation (See also in Chapter 2). The report stated

that the project had been implemented without environment and socio-economic impact assessments and recommended that the companies continue the project after they fulfilled these requirements, abiding by the findings and corrective measures of the assessments. However the Director of Paung Kuu, a prominent Myanmar NGO, stated that the report needed to be specific in detailing the monitoring and evaluation measures pertaining to the implementation of the project especially in terms of preventing or limiting environmental degradation (PK, personal interview, June 24, 2013). This meant that although the report mentions that there is widespread degradation of environment, there were no specific activities planned to reduce the destruction. The report failed to consider the concerns of the villagers that the mountain will disappear due to over mining. Daw Aung San Suu Kyi noted that the report would not satisfy everyone but that they were doing their best keeping the big picture in mind for the national economy and for the community as far as possible. In order to assess the carrying out of the recommendations from the Investigation Commission Report, an Implementation Commission was formed on 12 March, 2013 (Asian Human Rights Commission, 2013). The committee established a “Communication Office” at New Se Te and Zee Taw village on July 12, 2013 to mediate between the community and the company as well as to monitor the ongoing project (Irrawaddy, October 14, 2013). The Investigation Commission’s report about the environmental degradation by the implementation of the project recommended the mining companies to follow international standards.

The Letpadaung Salvation Committee said that

*“Daw Khin San Hlaing reported on October, 2013 about the sustainable economy. Although the Wanbao company has assisted the local community*

*by providing technical training for substitution crops such as dragon fruit and grab, villagers are less interested because they are experienced only in cultivating rice and are less interested in substitution crops and there is no guarantee for economic sustainability” (LSC, personal interview, June 26, 2013).*

The company continually said that there is no replacement farmland to the villagers although the Investigation Commission recommends recompensing the farmers by giving them back farmland in the report (paragraph no 94 (a).

### ***3.2.3.1 Economic Security in Old and New Villages (December 2012- November 2013)***

#### **Overview Compensation and Land grabbing (December 2012- November 2013)**

The Investigation Commission found that there was no transparency and large inconsistencies when the company paid out compensation to the villagers. Inconsistencies meant that, although the company announced that the compensation was only for the three years’ worth of damaged crops, the documents that the villagers signed showed that they released their farmland completely to the company.

The company got permission to implement the large scale copper mine project from Myanmar’s Ministry of Mining on 5 March 2010 with the notification license (003/2010). However they only got permission to hire the land for 60 years in September 2012(Kyaymon, March 12, 2013). The company tried to take the land without any negotiation with the local community and did not clearly mention the project at the time. Moreover the Commission recommended increasing

compensation for all farmland confiscated by using the current market price for valuation of the farmland. The company increased the compensation given between 700,000 and 1.5 million kyats (\$810-1,735) per acre depending on the quality of the land. However most of villagers refused to accept the compensation because it was still not up to the current market value (PPFBN, personal interview, June 30, 2013).

A Wat Hmay villager said

*“The local Company buys farmland with over 13 million kyats per acres at the other side of Salinyi” (Villager# WH1, personal interview, June 28, 2013).*

The Investigation Commission found that the main reason for the increase in conflicts in the Letpadaung area was because of the land grabbing process, the lack of transparency to give out information about the project to local community, unfair compensation practices and unqualified housing in the new villages. The company intended to taken over 7867 acres: 5057 acres for practicing agriculture and 2810 acres for land. The report found that in actuality the farmland grabbed was far beyond what the project really needed and recommended giving back the excess land in order to reestablish some farmland for the local community. The recommendations from the report stated that 1900 acres of farmland should be reestablished and shared with the villagers. However the company has not provided these 1900 acres to the villagers and still continues the project according to one PPFBN’s activist (PPFBN, personal interview, June 30, 2013). Wanbao’s report mentioned that

*“The companies have committed more than 1 million dollars a year in social investments in villages around the mining sites. The company also will*

*provide 2% of profits that will be generated for corporate social responsibility”(Wanbao, 2013 ).*

The Investigation Commission reported that the company paid about 348.09 million kyats compensation for farmland. The company increased the cost for those relocated by about 224.997(\$259,000) million kyats and only 69 villagers accepted its additional compensation(Kyaymon, March 12, 2013). According to one activist who is organizing protests in Letpadaung villages, compensation is not the only solution for the villagers. He continued that over 60 % of the villagers are refusing to accept the current compensation offered by the companies (PPFBN, personal interview, June 30, 2013). The Implementation Commission announced that residents of the old villages (Wat Hmay, Se Te and Ton Ywar Ma) and other villages should accept the compensation. However the Implementation Commission never came to the old villages and has not negotiated with the villagers about the compensation. A Wat Hmay villager said

*“The implementation committee only visited the old villages once since they started the investigation and they never came back to village again. They just tried to encourage the villagers to accept the compensation”* (Villager# WH4, personal interview, June 28, 2013).

The Implementation Commission pressured villagers to accept the compensation and announced that villagers would not receive compensation after the deadline of September 30, 2013 (RFA, September 25, 2013). RFA reported that the villagers refused, saying *“The compensation does not guarantee our future livelihood”*. Protests started again because the villagers feared that the police would

use force to crackdown again after the deadline for compensation had passed. In fact the company destroyed the sesame farmlands and built a fence along the Ton villages near the Mountain project site on 3 October, 2013(Irrawaddy, October 14, 2013).An activist from PPFBN reported that the land grabbing continued 6 acres a day , which was implemented by the Wanbao company with local authorities acting as security guards for the company (PPFBN, personnel interviewed, June 30, 2013).

Seven villagers were detained and held in prison because they tried to step in front of bulldozers to prevent them from destroying more farmland (See Section 4.4) Photograph 5 is when local police grabbed the land and the community is trying to take back their land.

**Photograph 5; October 3-15, Land grabbed on villagers'(farmland) who did not accept the compensation.**



© Han Win Aung (PPFBN), 2013

#### **Overview: Housing and Resettlement (December 2012-November 2013)**

Most of villagers from the old villages refused to accept the compensation and tried to continue farming on their farmland as a measure of protest. Up to the time of the completion of this study three villages had not witnessed a significant change on their economic security because they could still farm as mentioned above



while some villagers were trying to engage in other employment instead. However their income is reduced due to participation in the protests against the company. Economic security has not changed much after the Investigation Commission report. Income for the villagers is still not sustainable over the long term and villagers are protesting to get their rights. Most of the villagers from the old villages did not accept the compensation and are trying to resist being paid-off by this compensation package as much as they can. One Wat Hmay villager said,

*“Temporarily, they can use the money from compensation but how will they live after they have spent all of the compensation. The company employment is not sustainable for the villagers” (Villager WH#1, personal interview, June 28, 2013).*

Employment that is provided by the company was not enough for the villagers who lived in the new villages and it was not sustainable for the future. Villagers who lived in Se Te new village said that,

*“Villagers who don’t get a job in the company working as a casual worker or waiting for vacancies in the company survive by using the compensation. I have no idea what to do for employment if there is no job available for me in the company (Villager# ST3, personal interview, June 29, 2013).*

Villagers who are living in the new villages were concerned about their income in the future and the compensation was deemed to be inadequate to re-establish new employment. A villager from Wat Hmay old village said that,

*“If I don’t have farmland, I have no income anymore and it is impossible to live because I can only do farming” (Villager#WH2, personal interview, June*

28, 2013). *The compensation was deemed to be only enough for the recent demand.*

#### **Economic Security in Ton Ywar Ma (December 2012- November 2013)**

Even though there are not significant changes regarding access to income in Ton Ywar Ma, with the exception of the company fencing off the farmland, villagers worried about their farmland even though they did not accept the current compensation from the company.

#### **Economic Security in New Village; Wat Hmay and Se Te (December 2012- November 2013)**

The Investigation Commission acknowledged that the Wanbao Company provided employment for the villagers and found that one employment job for one household was not enough for the villagers. The Commission recommended creating more employment opportunities for the villagers. The Wanbao report said that the company would provide one job vacancy for a household which has lost 10 acres of farmland and those who lost 20 acres would get two vacancies in the company. The Wanbao Company also promised to use 1 million dollars in social investment in the villages and that they would funnel 2% of their generated profits into corporate social-responsibility schemes (Wanbao, 2013 ). This meant that the company has followed measures as outlined in the investigation report as most villagers owned between 2 to 20 acres in the villages. The Investigation Commission also recommended establishing SMEs and replacing crops for the villagers. However there are no such significant activities occurring in the communities to date.

### *3.2.3.2. Food security in Old and New Villages (December 2012-November 2013)*

#### **Food Security in Old Village: Wat Hmay and Se Te (December 2012-November 2013)**

Although the investigation report acknowledges that there will be negative impacts on the socio-economic environment of the community in the future, there are no detailed recommendations to recover from this threat.

#### Food Security in Old Village: Ton Ywar Ma (December 2012-November 2013)

There were no significant changes regarding access to food and water in Ton Ywar Ma in this time period.

#### Food Security in New village; Wat Hmay and Se Te (December 2012-November 2013)

Regarding food security in the new village there were no significant change in this time because the full implementation of the project had already began several months prior.

### **3.3. Chapter Conclusion**

Interviews from the six villages helped realize the economic and food security situation within the three different phases. There were no great challenges to economic and food security in the original four old villages (Wat Hmay, Kan Taw, Se Te and Ton Ywar Ma) in the period from 2008-2010 to the villagers. However the situation of economic and food security was adequate in the community although they had some difficulties in a certain situations such as health problems and disasters. As mentioned in Section (3.3.1) villagers had enough income generated from their livelihood activities (Farming crops, livestock raising, vegetable growing, producing palm product and casual labor). They accessed food, forest products and farmland for animals from Letpadaung Mountain.

Economic and food security challenges were faced by the community during the period from 2010-November 2012 due to the process of land grabbing and lack of transparency in paying compensation. For those who stayed in the original old villages (old Wat Hmay, and old Se Te) there were some changes in income generating and employments. Most villagers changed to livestock rising from farming and casual workers. Some villagers still accessed the farmland in the restricted areas. For those who lived in old Ton Ywar Ma village they had no significant changes in food and economic security because they only lost farmland and did not need to move their houses to new villages. Although there were no huge changes in economic and food security in this period, there were potential threats to their livelihoods. There were also challenges faced by villagers for those resettled in new villages (new Wat Hmay and new Se Te) assisted by Wanbao Company for their household consumption and income generating. Most villagers waited to get permanent employment from the company. However the employment created by company was not enough for every villager which posed challenges for the villagers' level of income. Moreover houses built were low quality and the land was not enough to raise livestock.

During the period of December 2012- November 2013, the Investigative commission acknowledged that the compensation was not enough and lacked transparency as well. It recommended raising the compensation to the villagers. The investigation commission report stated that there was no systematic social impact assessments conducted before Letpadaung copper mine project started. Wanbao's CSD groups also confessed in their report that their activities just started and one had to be patient in order to see the benefits of their activities. Moreover the

commission's report recommended establishing alternatives for the establishment of the livelihood of the villagers.

Most villagers who were staying in original old villages (Wat Hmay, Se Te and Ton Ywar) resisted accepting the compensation because it was not in tandem with market prices and left them unable to pursue an alternative livelihood. Villagers' income reduced because the project expanded onto their cultivated land whether they accepted the compensation or not. The implementation commission did not negotiate with villagers except to encourage and even force them to accept the compensation. Accessing food and water also become difficult due to the implementation of the project.

For those who resettled to the new villages (new Wat Hmay and new Se Te) they had to accept the compensation but they could not complain about the price that the Company paid because Wanbao Company did not clearly mention their support to the villagers. Moreover, villagers had no chance to know clearly about their employment and livelihood for their future. Recently most villagers in new villages are unemployed and some villagers go to other township to find work. Although the company provided a CSR program it did not cover yet for villagers' sustainability in economic and food security.

As a conclusion, the economic and food security of the villagers have been impacted by the implementation of the project according to those key informants interviewed and the data showing the amounts of land which had been taken by the companies. Although the Investigation Commission had made recommendations to improve the recent negative impact of the project on economic and food security of the villagers, it could not reach all the villages effectively due to the delay of the

Implementation Committee activities. Moreover, the implementation commission and companies tried to solve problems without any negotiation or constructing of trust among the local community which is one of the barriers that has added towards the negative impact of the project. There was no third party designated to monitor and evaluate the process of company's compliance to the recommendations of the Commission. Therefore, despite the efforts of the Investigation Commission's recommendations in aiding the economic and food security of the villagers, it proved to be somewhat ineffective to the local community.

## **Chapter IV:**

### **Governance (Participation, Transparency and Accountability) of Letpadaung Copper Mine**

The purpose of this chapter is to describe the governance (participation, transparency and accountability) within the decision making process pertaining to the Letpadaung copper mines. Section 4.1 elaborates on the decision making process taking place in the time period before the approval was given for the Letpadaung copper mine project (2008-2010). Section 4.2 discusses the period from 2010 to November 2012 about the interaction of the different actors and analyzes the quality of governance at the Letpadaung copper mine during this period. Section 4.3, presents the interaction between stakeholders from the time period during and after the parliamentary investigation report (November 2012- November 2013). Section 4.4 provides a summary and conclusion of this chapter.

#### **4.1. Governance Before the Letpadaung copper mine project (2008-2010)**

##### **4.1.1. Participation (2008-2010)**

According to interviews with villagers during this period, the public had no participation in the decision making process of the Letpadaung copper mine project and information was not shared with the community. The decision was taken by the military government and no members of the community or persons representing the public participated in the improvement of the project except members of the military government (group discussion #WH, June 28, 2013). Myanmar NGO's director, Paung Kuu, said that,

“I didn’t hear about the Letpadaung copper mine project until June 2012. We did not know that the government signed the agreement.” (PK, personal interview, June 24, 2013).

The local community did not get any chance to participate in the decision making process of the project and they were only informed after the contract had already been signed. While there was more space for public voice and media freedom by the time the new government had been installed in March 2011, the local community could not easily say that they did not want the project and were forced instead into negotiations.

#### **4.1.2. Transparency (2008-2010)**

The Irrawaddy newspaper was the first to report about the signing of the agreement of the Monywar Copper Mine Project Cooperation between the Myanmar military government and a Chinese Company during the Chinese Prime Minister’s visit to Myanmar on June 24, 2010 (Irrawaddy, June 24, 2010 ). Zerrouk and Neef (2013) said that,

“On April 5th 2010, The New Light of Myanmar, the National news daily, described about the signing of a Production Sharing Contract for the Monywar copper mine”(Zerrouk & Neef, May, 2013).

However, there is no official mention about the benefits of Companies and Government before the Parliamentary Investigation Commission investigated this project in December 2012.



#### **4.1.3. Accountability (2008- 2010)**

There is no public report about the accountability of Wanbao's Company concerning the implementation of the project such as an Environmental or Social Impact Assessment-ESIA) nor a health impact assessment. As mentioned above in the transparency section (4.1.2), the government did not allow public participation and sharing of information was scarce as the company signed the contract without consulting with local communities. The investigation commission article 82(A) (11) (13) (16) (17) (19) clearly mentioned that the company did not develop good management planning in accordance with international standard in the implementation of the project since the beginning of the project(Kyaymon, March 12, 2013).

It was not surprising there is no public participation under the context of the military government and there is no transparency or accountability to the community people.

#### **4.1.4. Governance of Economic and Food security (2008-2010)**

The economic and food security were areas not mentioned or even considered during the decision making process on whether or not to conduct the copper mine project. Although the area was considered to be private property and land that was proposed to be used was available, there were no control rights stated in 2008 constitution, and there has not been a new land law amendment since 1963 (Zerrouk & Neef, May, 2013). Villagers could not transfer or sell their land without the permission of the government. However the government could choose land to confiscate for the interest of the State or in the interest of the public.

As mentioned in the previous section on transparency (Section 4.1.2) Myanmar's national media announced that the government signed the contract with a Chinese company for the project but no details were mentioned regarding the impact of the project, especially on the economic and food security of local people. There was no public discussion about the economic and food security by the company with the local people because the company signed with the military government for conducting the project.

The absence of discussion on economic and food security by all parties meant that even the local people were not aware of what was going to happen in the project. The information about the project did not reach the local people and villagers were also afraid to talk about the military government's agreement with the Chinese company. Villagers said they did not know what they should complain about with the project and its impact on the local area. This was because as yet no party would acknowledge how the project would impact their economic and food security (group discussion# WH and ST, June, 2013).

## **4.2. Governance Pre Commission to Investigate Letpadaung (2010- November 2012).**

### **4.2.1. Participation (2010- Nov 2012)**

On December 2010, the Mon Ywar district governor U Khin Maung San held a meeting in a local primary school in Wat Hmay village. This meeting was to inform the villagers that the Chinese company would carry out the project and that villagers had no choice but to accept the compensation. The villagers were informed that the Wanbao Company would use 7867.34 acre of their farmland including village land.

“Although nearly every villager accepted the compensation, they worried that they would not get their farmland back after three years” (Village# WH, Group discussion, June 28, 2013).

“There is no doubt that they would use our land whether we accepted the compensation or not” (Villager# WH4, personal interview, June 28, 2013).

A Wat Hmay villager said that,

“What I understood was that the project had be implemented because it had already been approved by government according by the speech of U Khin Maung San” (Villager# WH2, personal interview, June 28, 2013).

“U Khin Maung San ordered us to accept the compensation and relocate from the village and if not we would be forcibly displaced by law under the name of National economic needs” (Villager# WH4, personal interview, June 28, 2013).

“They did not ask our desire to do the project; they just gave information that the Chinese will use our land for the project’s vehicles to pass through. They said it would only be used for three years” (Villager#WH2, personal interview, June 28, 2013).

This means that the authorities did not give a chance for the villagers to respond or ask questions and had already made the decision to go ahead with the project. There were no public hearings to explain the mining project and the villagers’ opinion was not captured or listened to. A member of the Letpadaung Salvation Committee, local CBOs, said that the government promised three assurances at the meeting of Wat Hmay village on December 12, 2010:

- a) There will be no excavation or construction of buildings on villager land
- b) There will be no dumping of earth and mining by –products on their land
- c) Villager’s lands will be returned in the same condition after three years(Justice Trust and Lawyer Network, 2013 ).

However villagers were concerned that they would lose their farmland because of their previous experiences with the old mine<sup>9</sup>. Five village leaders from different villages agreed with these concerns. Villagers said that the

*“Wat Hmay village leader said it was their own free choice to accept to give the land or accept the compensation under democracy” (group discussion# WH, June 28, 2013).*

However the Monywa district officer ordered villagers to accept the compensation and relocate from their villages. Moreover, the five village leaders were officially removed from their positions, instead of attempting any negotiation. In a few months, the district officer assigned new village leaders who supported the project. Villagers had very limited participation not only in the decision making to conduct the project but also in attempting negotiations.

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<sup>9</sup> A Canadian Company, Ivanhoe, operated a copper mine in Sabai and Kyasin hills from 1993-2011. The Company had promised villagers that it would affect only 40 acres of the two hills but ended up dumping massive mounds of contaminated earth on more than 1,700 acres without compensation, making the land permanently unsuitable for farming.

*“They said that the villagers have no choice except to accept the compensation 530,000 kyats (\$500) per acre. Me and some villagers tried to ask questions but the police took pictures of us which make me afraid that they will give us trouble after the meeting (Villager# WH1, personal interview, June 28, 2013).*

*“At first, the villagers did not accept the compensation. But the authority arrested U Thein who is a village leader from Paun Ka village who encouraged us to not accept the compensation. The villagers were afraid and then they accepted the compensation” (Villager# ST3, personal interview, June 29, 2013).*

*“Although they had promised us of the three assurances, the company started constructing big buildings on our land. In fact around 100 houses were built on our land and we worried that we would not get back our land (Villagers# KT4, personal interview, June 27, 2013).”*

The project was continued by neglecting villager’s opinions. On December 2011 the Monywar district office ordered four villages to relocate to new villages and arrested one villager leader called U Thein from Paung Ka village because he was against the project (Justice Trust and Lawyer Network, 2013 ). Villagers were afraid because this arrest was done without any reason and no one dared to speak out against the project. There was no transparency concerning compensation and the company did not negotiate with villagers (explained in detail in the next section). Wat Hmay’s primary school was closed and students did not get the chance to attend neighboring village schools. Wat Hmay villagers said that their children dropped out of school and missed the graduation exam (group discussion# WH, June 28, 2013). One villager said

“The government did not tell about what they would do for the students and did not negotiate with the villagers. The company destroyed our village school” (Villager# WH1, personal interview, June 28, 2013).

The participation of various civil society groups in Letpadaung is one of the importance aspects to be considered when examining social movements in the Letpadaung area. Civil society organizations (CSOs) conducted demonstrations, conferences and lawsuit announcements. CSOs were able to build up their pace and strengthen operations during the transitional government period of Myanmar at the middle of 2011 (Petrie & South, 2013 ).

The 88<sup>th</sup> generation was the first organization to reach the Letpadaung areas. The 88 Generation organized the villagers and advocated villagers to deal with the problem according to the law. One 88<sup>th</sup> generation member, who is the field coordinator for farmer’s issues, said that,

*“I reached Letpadaung’s region in May 2011 and discussed with the villagers how to request their rights according to the law. At first villagers from the relocated four villages were afraid to discuss and only Wat Hmay villagers dared to come to the meeting. I invited CSOs such as Yangon People Honorable Network (YPHN) and Political Prisoners Family Benefit Network (PPFBN) in turn to share about Letpadaung and make information available through the social Media” (88th generation student, personal interview, July 8, 2013).*

Later other civil society organizations such as the Yangon’s People Honorable Network (YHN), and the Political Prisoner Family Benefit Network (PPFBN) reached out to villages to encourage and organize the villagers to protest. Zeerouck

and Neef (2013) reported that *“information sharing among local villages and organization has been a main part in the new wave of protest.”* YPHN’s person-in-charge reportedly that,

*“A coordinator for farmer’s issues from 88 generation was already helping the villagers before I arrived in Letpadaung and organized a team to spread 200,000 pamphlets that mentioned about the problems in Letpadaung near and around Monywa Township”* (YPHN, personal interview, June 18, 2013).

An activist from PPFBN also said

*“I posted a lot of photos of demonstrations and marches on social media especially on Facebook because Myanmar mainstream media have limitations on their ability to describe the real situation of the villagers because of media censorship at the time[See section 4.1.2]”* (PPFBN, personal interview, June 30, 2013).

Due to the participation of civil societies in the Letpadaung case, villagers organized many social activities. At the same time the company destroyed cultivated farmland and dumped large amounts of soil near the villages. The company did not announce their actions or negotiate with the villagers. Villagers said that they were against soil dumping on their farmland since March, 2012 and protested in front of Wanbao’s offices on May 30, 2012 (Group discussion # WH , June 28, 2013). (See Section 3.2.2)

Although the implementation of the project stopped temporarily, the company continued the project without negotiating with villagers and tensions increased. Signs

were put up in village areas that restricted access with section 144 of the Criminal Procedure Code on 15 July, 2012 (Zerrouk & Neef, May, 2013). Article 144 is usually used in emergency issues which threaten national interest and no one was allowed to pass or enter into the villages.

Environmental promoters, students, social activists and community groups in Monywar formed the Letpadaung Salvation Committee on 8 October 2012 and organized public meditation activities on 18-19 October themed “Contemplating Letpadaung Hill” (LSC, personal interview, June 26, 2013). Over 1000 people joined this public meditation programme and villagers agreed to protest the Letpadaung copper mine project. However the local authority did not give permit to organize or participate in this kind of public assembly. The protest trend changed with more talk about environmental degradation as a result of the project and governance of the government. Before civil society organizations participated, villagers were simply against the project based only on their concern over losing their farmland.

**Photograph 6; Public Meditation: Contemplating the Letpadaung Project Ceremony**





Two monasteries were shut down by the local authorities also without any participation from the villagers. A group of women and monks from Wat Hmay village went to Monywa pagoda to pray but the government did not allow them inside the pagoda on 26 October, 2012. One Wat Hmay villager who led the protest said,

*“My village’s monastery was shut down by the local authorities. They did not keep to their promises. I would like to give a message to the people in Monywa that our villages have no more monasteries to pray and we have to come all the way to Monywa just to pray. 21 women were detained in Monywa’s No.1 police station due to this activity. Although 9 women were released in three days, me and the other two leaders were detained nearly a week” (Villager# WH1, personal interview, June 28, 2013).*

The villagers protested in front of Monywa’s police station No.1 and they demanded for the police to release the three women.

There were a lot of protest activities all around the communities, and monks also participated because several historical buildings had been destroyed. The religious and historical Lay Di Sayadaw building was nearly destroyed by the implementation of the project. The villagers complained about it and established protest camps in front of the Wanbao compound as a result. There were six protest camps near the mining area containing approximately 500 monks and 50 villagers on 19 November 2012 (Justice Trust and Lawyer Network, 2013 ).

Photograph 7; Protest Camp: At the entrance of Wan Bao's main office in Monywa



© Eleven Media, November 2012.

The Justice Trust and Lawyer Network continually reportedly that,

*“The Letpadaung copper mine received media attention due to the Parliamentary representative, Daw Khin San Hlaing (NLD) Pale Township, highlights this issue and requested for investigation before the national parliament in Nay Pyi Taw on 23 November 2012” (Justice Trust and Lawyer Network, 2013 ).*

It means that the Letpadaung project became a national problem and three ministers were sent to the area as a government delegation. The delegation comprised of; U Aung Min (Union of Railways Minister), U Hla Maung Shwe (Special adviser to the president) and U Than Htike (Sagaing Division Ministers of Mines). Although these Ministers met with the protestors in the protest camp, they did not attempt to negotiate between the villagers and the company. Instead U Aung Min

said the villagers needed to respect the cooperation between China and the Myanmar government under the name of national interest. The Letpadaung Salvation Committee said that

*“U Aung Min just came to listen to what the villagers wanted but he said he cannot do negotiation with company. And also it is useless to keep the natural resource under the ground” (LSC, personal interview, June 26, 2013).*

An 88<sup>th</sup> generation representative also reported that

*“I attended the meeting and requested the Government promise that not to take any violent action on peace protestors and U Aung Min agreed” (88 generation student, personal interview, July 8, 2013).*

The government used security forces to stop every protest and due to the high tension between the villagers and the company, they could not negotiate with each other. Aung San Suu Kyi planned to visit Letpadaung area on November 29, 2012 to mediate the problem<sup>10</sup>(Mizzima, 2012). However the local police warned protestors to withdraw the protest camp or they would take action on the protestors according to the law with authority under the Ministry of Home Affairs. An activist said

*“The national media described that the police would clear the protest camp at the midnight under the authority of the Ministry of Home Affairs. I think they would not like us [villagers] to meet with Aung San Suu Kyi” (PPFBN, personal interview, June 30, 2013).*

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<sup>10</sup> Aung San Suu Kyi planned to go Letpadaung as NLD leader. After November 29 crackdown, she was assigned as parliamentary investigation commission leader.

The government, however, did not keep their promise. On November 29, 2012 in the early morning, the peace protestors experienced a crackdown from the local police before Aung San Suu Kyi arrived. Villagers who participated in the protest said they hoped that the police would use water cannons, smoke bombs and robber sticks and they decided to continue to stand in protest until they got what they had requested (Village# WH and ST, group discussion, June, 2013). The crackdown started around 3 am in the morning of November 29, 2012 in all six camps. The police announced with a loud speaker three times and then proceeded to use water cannons throughout the camp and fired smoke bombs with devices. However, these smoke bombs produced yellow smoke, flashes, and a sticky substance which burns everything it hits. After that, police beat monks and villagers and then began to arrest individuals. Justice Trust and Lawyer Network reported that over 100 monks and some villagers suffered chemical burns. A Wat Hamy villager said that

*“The police used the water cannon and it is very powerful and we cannot stand and then they used the bomb which have yellow color and make burn the camp, people and everything. A motorbike has yellow substance and I keep it as evidence” (Villager# WH3, personal interview, June 28, 2013).*

Photograph 8; Burning Protest camp in front of Wan Bao's main office on (29 November, 2012).



©Eleven Media Group

The above Photograph 8 was taken from two different camps and police used 3-5 smoke bombs in four camps according to the report of Justice Trust and Lawyer Network. The Network continuously reportedly that,

*“The material from the bomb which produce sticky plastic with yellow color and when the protestors tried to clean that material from their clothes and body, it stuck and burned on their fingers and hands as well as continues burn on it for more than a few minutes”(Justice Trust and Lawyer Network, 2013 ).*

Later this organization found that the grenades had been combined with white phosphorus which has been banned to use even in war. The injured monks were sent to the Monywar hospital by the LSC committee. There is was no help from the local authorities. Villagers who get injured have to be cured at home because police would have arrested them in the hospital if they went there.

Photograph 9; Fire burn injuries after the crackdown



© Irrawaddy, December 2012.

This incident heavily increased protests all over the country and got attention from the international media and community. Protests arose in big cities such as Yangon and Mandalay and civil societies groups heavily spoke out against the project. So many activists were arrested although the new government allowed peaceful assemblies. This violates the 2008 Myanmar Constitution, under Article 21 which states that, *“Every citizen shall enjoy the right of equality, the right of liberty and the right of justice.”*

Peace protestors need to apply for permission to demonstrate five days in advance. The police rejected repeated requests by protesters; including local villagers and monks, for permission to hold peaceful assemblies to demonstrate against the copper mine project (LSC, personal interview, June 26, 2013). The local

authorities limited and denied the participation of the public and arrested the activists who participated and motivated the protested until the Parliamentary Investigative Commission was formed on December 2012.

*“We protested without permission because the authority denied our request for the permission of the legal peace assembly for 18 times on August 2012 before the Parliamentary Investigation Commission was formed. Four activists were arrested and detained because of protesting without receiving permission” (PPFBN, personal interview, June 30, 2013).*

After the crackdown, this issue received serious attention from the international community and Parliament was ordered to form an investigation commission with 30 members on 1 Dec 2012 according to the President’s Office, Notification No.92/2012 “Institution of the Investigation Commission.” Later the number of commission members was reduced from 30 to 16 with the President’s Office, Notification No.05/2012 “Reinstitution of the Investigation Commission” on 3 December 2012 (Charlton, April 19,2013). Under the definition of participation, this was the first time that the local community had the chance to be invited into the decision making process pertaining to the Letpadaung mining project.

*“There is one Pyithu Hluttaw representative of Sagaing Region, Daw Khin San Hlaing<sup>11</sup>, and three villagers, U Bo Than<sup>12</sup>, U Aung Zaw Oo<sup>13</sup> and U Bo*

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<sup>11</sup> Daw Khin San Hlaing, Pyithu Hluttaw representative, Sagaing Region, Pale Township Constituency

<sup>12</sup> U Bo Than, Kan Kon village, Sarlingyi Township

<sup>13</sup> U Aung Zaw Oo, Wat-Hmay village, Sarlingyi Township

*Htay<sup>14</sup> who had the chance to participate in the parliamentary investigative commission” (ICM, personal interviewed, July 2, 2013).*

#### **4.2.2. Transparency (2010-Nov 2012)**

The Letpadaung copper mine project had no transparency since the beginning of the project in 2010. In May 2011, the Chinese Embassy announced the product sharing contract with the Myanmar government. Paung Kuu’s president said

*“I read this agreement from the national media but there was no details mentioned about CSR for the local community” (Paung Kuu, June 24, 2013).*

Paying compensation was not transparent and there were no discussions about the information of the copper mine to villagers who found it difficult to access information. A lack of transparency both in giving compensation and signing the contract increased the problem. Se Te villagers said;

*“I accepted the compensation because they said it is for the damage of farmland due to the passing through of vehicles. We understood that we could grow crop again on our land after three years. They gave the money by signing on the contract but the township officials covered up the written section and did not allow them to read what I signed” ( Villager# ST3, personal interview, June 28, 2013).*

*“If possible I didn’t want to accept the compensation because I worried that I would not get back my farmland after three years. I accepted the*

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<sup>14</sup> U Bo Htay, Tonywama village, Sarlingyi Township



*compensation because I afraid to be arrested like U Thein<sup>15</sup>” (Villager# KT3, personal interview, June 27, 2013).*

The Justice Trust and Lawyer Network reported that villagers had signed on a paper which seemed to be a contract, with pressure from the local authorities. The villagers had no chance to know the information about what they signed in the contract and what was written in the contract. A contract is a deal which should include the genuine desire of two parties or more in which the aim is to create legal commitments for offer and acceptance as well as the need for precise and specific terms. In the episode of contract-signing in Letpadaung, the local authorities used force and threatened villagers to accept compensation and sign the contract.

#### **4.2.3. Accountability (2010-Nov 2012)**

The Letpadaung mining project’s main problem was largely increased due to unfair compensation, displacement and lack of transparency since the beginning of the project. Lack of accountability for the local authorities also contributed towards increasing the problem. The company did not keep their promise as they agreed in the previous process of the project and local authorities did not take any action on the company’s breach of promise and irresponsibility. Instead they cracked down on peace protestors and detained many villagers and activists during these protests.

Before the Letpadaung Investigation Commission was formed and investigated the Letpadaung project, the Wanbao Company did not mention their accountability

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<sup>15</sup> A well-known opponent of the project from Paung Ka village.

towards the affected villagers. There was no official report until October, 2013 (See in next section) when the Corporate Social Responsibility (CSR) policy was published.

They supported the establishment of new villages, primary schools, libraries and monasteries as well as helped install and provide water and electricity in the new villages. They gave additional compensation, an increase from the original 400,000 kyats to 600,000 kyats per household to repair the low quality of the houses in the new villages(Wanbao, 2013 ). Although the company supported the villagers who accepted the compensation and moved to new villages, the company never negotiated with those villagers who were against the project.

The Letpadaung mining project problems increased due to the lack of detailed analyses on any social impact and without any negotiation with the villagers. The Wanbao Company mentioned that they are creating employment opportunities for the villagers. However these new employment vacancies could not support every household in new villages.

A Wat Hmay villager reported that

*“Although the company provides employment, housing, water and electricity today , they don’t mention about the sustainability in the future. How will farmers survive after the project is completed?”(Villager#WH1, personal interview, 28 June, 2013).*

The company did not take any responsibility for the residents of the old villages who were protesting against the project. They were instead forced to accept the compensation and ordered to move new villages. The company never negotiated nor gave detailed explanations about their accountability.

According Wanbao's Construction Environmental and Social Management System (CESMS) exclusive report mentioned that,

*“On September 2012, Environmental Myanmar Cooperative Company Limited (EMC) surveyed about the Base Line and Monitoring Survey on Flora and Fauna of Letpadaung Copper Project Mine Area. Re-assessment of Environmental and Social Impact Assessment (ESI) was conducted by three companies. We also plan to develop an Integrated Management System (IMS), Integrated Management Procedures (IMPs), Environmental Control Procedures(ECPs), Safety Procedures, Environmental Aspect Register and Standard Operating Procedures(SOPs)”(Wanbao, 2013 ).*

This means that the company did not follow international standards from the beginning of the project and had only opted to do so much later.

#### **4.2.4. Governance of Economic and Food Security (2010-Nov 2012)**

Although the government changed through the transition period and other actors (local community, civil society and Medias) received more space to participate in the decision-making process as well as to increase transparency, there was no discussion of economic and food security at first.

Local people voiced their complaints due to the unfair compensation of land being grabbed by the company and the media highlighted this issue as a land grabbing issue at the beginning of the project(Zerrouk & Neef, May, 2013). Consequently, with the negative impact on the livelihoods of villagers, they started to discuss their economic and food security during this period. Farming could not be done on their farmland due to the dumping of soil on their land. This was a

potential threat for accessing food and income in the future. As mentioned in section 3.2.2, villagers discussed the unfair compensation and their destruction of sustainable livelihoods. Civil society groups also discussed livelihoods and the damaging impact towards society and the environment.

There is no official report by the company about the impact of the project concerning the impact on economic and food security of the villagers. Later after the Investigation Commission, Wanbao released a CSR report about the villagers who had moved to the new villages as mentioned in the previous section (Accountability).

#### **4.3. Governance During and After the Parliamentary Investigation Commission Report (December 2012- November 2013)**

##### **4.3.1. Participation (Dec 2012- Nov 2013)**

The Parliamentary Investigation Commission was formed with 16 members on 3 December 2012 by President's office notification No. 95/2012(See section 2.1.3). The Commission investigated the process with sub-groups formed for different related fields. From the beginning until end of the process, the Commission held six meetings between 4 December 2012 and 11 March 2013 and released the official report on 12 March 2013. The commission visited the Letpadaung area three times between 5th to 15th December (Kyaymon, March 12, 2013).

Although the Investigation Commission mandate included investigating the crackdown of protests and injuries borne by the protestors including monks, the commission mainly focused on the economic mining and farmland compensation as aspects of the project. The commission mandate also included suggestions for national development and the rule of law concerned with the project. The project

was to follow international standards, whereby assessing environmental and social impacts as well as the project benefits for both the public and the State.

During the process the Commission observed the project and protest area as well as held interviews with responsible persons in the mining company, villagers and monks. The Commission members met with the monks who had burn injuries from the crackdown at Yangon General Hospital. The Commission also took soil samples from the project site and neighboring mining sites as well as from the villages to examine the environmental protection standards as practiced by the company. The Commission also met with the Myanmar Environmental Institute and listened about the situation of pollution (air, water, and dust) and presented environmental permits to the joint venture partners and employees. The Commission also met with the police to investigate the actions of the police during the crackdown.

Under the name of participation, three community members (U Bo Than<sup>16</sup>, U Aung Zaw Oo<sup>17</sup> and U Bo Htay<sup>18</sup>) were selected to participate in the Investigation Commission. These three villagers were not selected from the community but by direct notification from the President's Office. Therefore, knowledgeable resource

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<sup>16</sup> U Bo Than: Kankon Village; Kyaukmyat Village-tract Salingyi Township, Sagaing Region

<sup>17</sup> U Aung Zaw Oo: Wat Hmay Village: Ywashe Village-tract, Salingyi Township, Sagaing Region

<sup>18</sup> U Bo Htay; Ton Ywar ma Village, Ton Village-tract, Salingyi Township, Sagaing Region

persons from the community did not participate in the Commission and were not elected by the community.

According to the Se Te village group discussion, two villagers were selected as Investigation Committee members because they supported the project.

*“Villagers also mentioned that the two villagers have good relationship with authority for a long time and they supported accepting the compensation since the beginning of the project” (Village# ST, Group Discussion, June 27, 2013).*

Dr.Kyaw Thu from Paung Kuu said that,

*“Among three villagers, one villager supports the government and organized meetings to accept the compensation. Instead Thwe Thwe Win or Ma Aye Net should be invited in the commission because they can discuss very well and they started to protest against the project”(PK, personal communication, June 24, 2013).*

Thwe Thwe Win and Ma Aye Net are well known villagers who are against the project and were arrested on 26 October, 2012 due to leading a group of women in Monywar. They also attended the advocacy and environmental training organized by the 88th Student organization. They know how to represent the real voice and situation of the community and could request what the community needs.

A member of the Investigation Commission said that,

*“I had chances to attend all 6 times of meeting in the investigation commission but I had not read the agreement between Myanmar government and Company. Although they explain what they discussed in the*

*meeting but I could not offer opinions except requesting them to stop the project (Investigation Commission members, June 29, 2013).*

Not only was the participation of community members limited, but also the original contractual agreement between the company and the Myanmar government was not reviewed in the investigation report. The Justice Trust and Lawyer Network submitted a report to the Investigation Commission documenting the protest crackdowns whereby police used white phosphorus bombs, before they released their report in March, 2013. Evidence was collected from four villagers in Letpadaung by interviewing injured protestors and the remaining bomb substance was analyzed at an independent laboratory to prove they contained phosphorus.

*“A remaining sample from the bomb analysis results show that had 25.5% content of phosphorus, of which 58.3% was in the form of phosphorous pent oxide. A phosphorus smoke grenade blasted in a wet camp would instantly produce phosphorous pentoxide and hot drops of phosphoric acid which burn intensively while touching with wet clothes and skin as well as it continues to burn until the phosphorus element was fully oxidized”(Justice Trust and Lawyer Network, 2013 ).*

The Justice Trust and Lawyer Network submitted the evidence that the police used white phosphorus smoke grenades which is a war crime that violated the human rights and demanding punishment to those who had ordered this done to the peaceful protestors. According to Irrawaddy report

*“Senior police of Sagain Division said they used the same smoke bombs that were used in the monks protest in 2007 19 and it did not cause any burns”(Irrawaddy, 2013).*

The investigation report mentioned that

*“In 55 smoke bombs out of the 100 that were used in Letpadaung there were no differences in the contents, similar to the compound that was used in 2007 riots. When the smoke bomb exploded it burned around 8 meters when coming into contact with materials such as Plastic Cover (Polypropylene) whether it was wet or dry”(Kyaymon, March 12, 2013).*

The report did not emphasize about white phosphorus and only mentioned that the smoke contained phosphorus. It means the police did not use it in the intent to cause burns to the peace protestors and thus the commission did not recognize the Lawyer Network’s demands, which was thus refuted and not mentioned in the Investigation Commission report. The local community was not satisfied that there were no punishments on local police who were commanded to crackdown the Letpaduang case. PPFBN activists said that Aung San Suu Kyi took the political advantage to maintain a good relationship with the government by allowing the Letpadaung copper project (PPFBN, personal interview, June 30, 2013).

On the other hand there is the position of Aung San Suu Kyi which is sensitive as the decision making could and would have caused an impact on the transition of Myanmar. As she mentioned

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<sup>19</sup> Monk-led demonstrations know as Saffron revolution.



*“If Burma wants to stand up as a commensurate country within the international community, it must keep its promises” (Mizzima, 2012)*

The Parliamentary Implementation Commission was formed on 12 March 2013 after the Investigative Commission Report with an order from President Thein Sein (Irrawaddy, July 8, 2013). As mentioned in section 3.2.3 (Compensation and Land grabbing), the Implementation Commission forced the villagers to accept the compensation which only started off an increased round of protests again. On 6 October, 2013, 300 villagers went to the Communication office to claim that the company was still implementing the project without abiding by the recommendations of the investigation report.

At almost the same time, an international consultancy firm, Knight Piesold was sponsored by the Wanbao Company and submitted an environmental and social impact assessment report to the Parliament on November 19-21, 2013 (Myanmar Update, November 23, 2013).

#### **4.3.2. Transparency (Dec 2012- Nov 2013)**

Although there is some participation by selected community members in the Parliamentary Investigation Commission process, there were limitations in the transparency during the investigation and decision making process. Daw Khin San Hlaing who is a Member of Parliament and also a member of the Letpadaung Investigation Commission said that,

*“I did not know that the contract is legal or illegal and I do not know that what are the agreement and the intention of the contract because I did not have chances to read the agreement of the contract between Wanbao and U Paing. Only the investigation committee’s chairperson, Daw Aung Suu Kyi*

*and secretary U Kyaw Tin Swe<sup>20</sup> read it. I believe and respect the chair person, Aung San Suu Kyi and have no doubt about her decision”*(Irrawaddy, October, 2013 ).

A villager who participated as a Parliamentary Commission Member also mentioned that,

*“I did not have a chance to read the contract but they explained in the meeting that even if they let me read it, I would not know about the literature terms. I only discussed to stop the project and give justice for villagers”* (ICM, personal interview, July 2, 2013).

It means only two people had the chance to read the original agreement and contract between the Chinese Company and the Myanmar Government. Even within the Investigation Commission members had limited transparency and access to information in knowing details of the project.

The commission report also emphasized that problems increased due to a lack of transparency on the project and contract. The Commission recommended continuing with the project by signing a new amended contract that was reworded to emphasize shared benefits (for the company and villagers) and the fulfillment of environmental and social impact assessment international standards and management plans.

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20 U Kyaw Tin Swe, from the Myanmar National Human Rights Commission, served as a secretary of the Parliamentary Investigation Commission for the Letpdaung case.

It is true that transparency has increased after the Investigation Commission in comparison to the beginning of the project in 2010, but there are still several recommendations from the Investigation Commission missing from the company's implementation. The Investigation Commission recommended signing a new contract within 14 days since the report was released in 14<sup>th</sup> April, 2013 but a new contract was only signed after 4 months on 24 July, 2013 (Kyaymon, March 12, 2013).

The Investigation Commission report stated that the Wabao's company received permission to hire the land for 60 years starting September, 2012 but by that time, the company had already started the project and was already dumping dirt onto the farmland.

*“One of the most significant facts is that there is an inexistence of truth and transparency from the local authority. Before the Investigation Commission report the local authorities announced that the company hired the farmland for 60 years. Actually the company tried to get that permission from the Ministry after the November 29, 2012 crackdown” (PPFBN, personal interview, June 30, 2013).*

It is the responsibility of the government to spread actual and accurate information to local community before they implement the project. The participation of Knight Piesold for EIA & SIA was publicly released only in the English language. This EIA and SIA report is a very long and it was a technical report that could not be understood by the villagers affected by the project.

#### 4.3.3. Accountability (Dec 2012- Nov 2013)

The Investigation report was opposed by the villagers because of the decision making to continue the Letpadaung copper mine project. One lawyer from the Myanmar Lawyer Network said,

*“The report was good enough to assess the environment, and the social security of the local villagers but there are many weaknesses that needed to be satisfied to the public. The report, for example, did not recognize that the police used the white phosphorus munitions and there are no recommendations for action on them even though the Justice Trust and Lawyer Network proved that weapon was used and was prohibited for anti-personnel use”*( MLN, personal Interview, June 23, 2013).

The worst part of the report is its refusal to take action on the lack of accountability practiced against the violations committed, even though, hundreds of people had serious injuries in a situation where human rights were violated by the use of prohibited weapons of war. PPFBN’s activist also mentioned that,

*“It is really nice that we had a chance to present about the corruption and injustice of the military owned company, U Paing, due the forming of a parliamentary investigation commission, compared to the era of military junta. However the accountability of the company and the government will be decided on the reality of the present situation. If the implementation part of the reality is not affected, the report is just writing on the paper to cheat the local people. The implementation committee is not working effectively. For example, the report said the industrial acid factory should only have*

*been allowed to resume work after they had received international recognition but the industry is still working since the last time the commission come to Letpadaung”( PPFBN, personal interview, June 30, 2013).*

A lawyer from the Myanmar Lawyer Network also mentioned that,

*“The investigation commission recommended that the project will be permitted to work after signing the new agreement within 14 days from the date of the release of the report. However the company is still working and neglecting the recommendations of the report and the Implementation Committee has not followed up to see if they signed a new agreement or not” (MLN, June 23, 2013).*

The Implementation Committee did not hold the company accountable on the recommendations from the Investigation Commission. The company is still running the project with the only action taken being that they increased the compensation for the villagers. The Implementation Committee forced the villagers to accept the compensation and ordered them to relocate from their villages. Although the local community request were described clearly in Investigation report under paragraph 39, the Implementation Committee did not implement this and the activities they supported for the community are different in the real situation and lacked transparency. The Implementation Committee did not advocate positive changes for the local community and no action for the villagers to request and claim their grievances. The commission only accepted and recognized the report of Community and Social Development (CSD) Team which Wanbao Company operated at is a part of the Letpaduang project.

According to Daw Khin San Hlaing, the company did not obey the Investigation Commission's report recommendations. The company has not provided service for villagers to receive safe drinking water, the building of new schools and hospitals in new villages has not been conducted as they stated in their plans. The company is still operating the Moe Kyo Sulfuric Acid factory without taking International Organization for Standardization: ISO Certificate which violates the Investigation report recommendations.

#### **4.3.4. Governance of Economic and Food Security (December 2012-November 2013)**

The Investigation Commission was responsible for investigating the economic and food security of villagers under the name of assessing environment and social impacts of the project. The commission found that there is potential threat to the economic and food security of villagers and suggests in the report in paragraph no 87 (H) *"To create and support more employment opportunities and own business to secure food and economic of villagers"*(Kyaymon, March 12, 2013).

The economic and food security of villagers have been addressed and recommended to be standardized with international standards by the Investigation Commission under the name of social and environmental impacts. Discourse about sustainable livelihoods and land grabbing issues were examined in more detail during this period. As mentioned in Section 4.2 (participation), the company hired an international consultant firm to conduct a social and environmental impact assessment and the international organization submitted their findings in a report to the Myanmar Parliament. However, there have been complaints against the actions of the Implementation Commission on whether they have followed the Investigation

Commissions report recommendations. As mentioned in the previous Section (Accountability) and Section 3.2.2, the Implementation Commission's work is not very effective in reality thus far after one year. The extent of economic and food security is more officially discussed in this period by the government, the company, local community and civil society organizations. However the discussion on economic and food security needs to be addressed further to take action according to international standards and also needs a monitoring group for the governance of the economic and food security of the Letpadaung area.

#### **4.4. Conclusion**

In the decision making process of the Letpadaung copper mine project, the participation of local communities and civil society was limited at the beginning of the project between 2008 and 2010. Under the military government there is no information sharing or access to information about the project. The decision to proceed with the project with a contract signed between the government and the company did not consult the villagers. It is no surprise that there is no accountability practiced by the company or authorities on the negative impact on the community. In the period from 2010- November 2012, when the parliamentary commission was formed, the participation extended in the community. Due the change of the government, the community could organize to speak out against the injustices of the project. At the beginning of the protest, villagers against the project only focused on the loss of their farmland and livelihoods. After civil society organizations reached the areas, the social movement also began to speak out against the environmental degradation caused by the project. Moreover there was no transparency practiced by the company to provide full information of the project. The local authorities did not

clearly mention compensation for villagers' farmland. The company did not have a sustainable plan for the affected villagers and there was no mention about the economic and food security of the affected villages.

During the period December 2012 to November 2013, although the Parliamentary Investigation Commission allowed the participation of the villagers in the Commission, the transparency and sharing of information were limited even within the members. The Implementation Committee is weak in following up with the company and whether it has followed the recommendations of the Investigation Commission report or not. The public had more opportunity to participate in decision making compared to the period of the military government. However, the transparency and accountability of the government and company are still weak in following the Investigation Commission report recommendations. Furthermore, if the Implementation Commission does not follow up and force the company to obey the Investigation Commission report recommendations and Knight Piesold's report, the extent of the facts in the report will only be on paper, and will not effectively cover the community's economic and food security.



## Chapter V:

### Conclusion

This chapter addressed “How has the quality of governance shaped changes in economic and food security of the local community Letpadaung copper mine?” Section 5.1 presented the main conclusion of the thesis. Section 5.2 discussed consideration economic and food security in governance and section 5.3 discussed the implication for Mega project in Myanmar. Section 5.4 offered some recommendation to: the Government, the Parliamentary Implementation Commission, the Company and the Community.

#### 5.1. Conclusion

The Letpadaung copper mine has a huge negative impact on community's economic and food security. As discussed the expansion of Letpadaung project, will not be stopped, and continues without any negotiation with the local community except to generally force them to accept the compensation. This continues to create a situation which has the potential to create further land grabbing, larger percentages of lost employment, damage to water resources , and resulting in further economic and food insecurity even as seen in each of the three different timelines.

There was no public participation at the beginning of the project agreements and decision-making due to the military government. It is of no surprise that the flow of information did not reach to the community sufficiently and there was no accountability by the government and company. The local community did not know and thus did not even acknowledge the potential negative impact of the project on economic and food security.

During the pre-commission formation period to investigate the project, the local community and civil societies had a little space to express their voice. The flow of information about the project which passed through the network of civil societies helped increase the knowledge about the impact of the project and it increased discussions and following that the construction of concrete questions and demands from the local community about economic and food security. However their participation in the decision making was still weak and meaningful accountability was still not received from the government and the company. Not only the company but also the government did not demonstrate significantly their accountability in this period that threatened the economic and food security of local community.

During and after the investigation commission report, participation in decision making had increased and also the flow of information reached the community and this came across as an instance where the company and government did show their accountability. Although there were some positive changes for the local community, it was deemed to be not sufficient to satisfy the community due to the delaying techniques employed to carry out the recommendations of the investigation commission put forth in its report and investigation on this delay by the implementation commission especially on economic and food security.

## **5.2. Considerations Economic and Food Security in Governance**

During the period between 2008 and 2010, there was no public discussion about economic and food security by the company to the local community. The companies signed agreements with military government but there was a clear lack of transparency about the agreement which made local people really unclear about the impact of economic and food security.

The consideration of economic and food security had been discussed in the first stage of the implementation process in the Letpadaung copper mine between 2010-November 2012. Villagers worried about their survival due to unfair compensation, land grabbing and no guarantee for their livelihood. The discussions of economic and food security included demands of villagers unofficially. The company had no sustainable or detailed plan for the local community. This was true even for the villagers who were deemed to be unaffected and were not given chances for employment or any opportunities to guarantee their livelihood in the period of pre-commission formation.

During and after the period of the investigation commission and the issuance of its report, the consideration of economic and food security have been discussed officially. The investigation commission recommended assisting the local community for reducing the impact of the project. To be impartial it has to be said that Wanbao provided some amenities such as building a school, establishing a library, improving water and food supply and providing donations to nearby new villages. However its programs were not sufficient to adequately compensate affected local people for the impact on their livelihood by the project. Even though the Company was following the recommendations of the commission it had no significant impact on economic and food security of community. They hired an international company, Knight Piesold, to assess and produce an EIA& SIA of impacted villages. However the new draft report is long and technical and not easily understood by local community. It is difficult to understand even though Wanbao Company got the results from this consultant it did not actually change anything on the ground level. On the other hand the implementation commission could not follow up to conduct

checks on whether the recommendations of the investigation commission had been taken up and implemented by the company, which as can be determined from the sections above, had not even covered even economic and food security issues that had already been discussed and considered in this period.

### **5.3. Implication of Governance Mega projects in Myanmar**

#### **5.3.1. Implication of Governance at Letpadaung**

It is of given nature in Myanmar that all foreign investment only needs permission from the military government to conduct large scale projects. The regulation of decision making had been clearly agreed upon as being between the Government and Company about which the local community and civil societies could not complain during the time of the military government. Lack of governance (participation, transparency and accountability) in the decision making of such huge projects in Myanmar creates a lot of problems all around the country in recent days. The designing phase of the projects do not mention clearly about regulations pertaining to the development of the project in which there are no inbuilt requirements for assessments on environmental and social impacts . As mentioned in section 4.3.3., the investigation commission found that Wanbao used an earlier Ivanhoe assessment without even updating them or making changes for the new project. It means that the use of this older outdated reports show that there is no proper regulatory need or drive to even bother about preventing or minimizing the negative impacts of the copper mining project in Myanmar.

In the new government of Myanmar, the government invited foreign investment in the name of national economic growth. The new foreign policy

appears to protect the foreign investors more than bothering about the needs and requirements of the local communities. . Moreover there are no proper policies and regulations to minimize the negative impacts of the industry as can be seen from the copper mine project as an example, causing loads of current problems and creating a huge negative impact on the local area. Prevention of negative impacts in other areas which are going to be sites of foreign investment in terms of extractive resources industries or even other industries

The involvement of local communities and civil societies which have protested against the local government and Wanbao until now was another important positive change in terms of governance. As a result of their collaboration the “Letpadaung Salvation Committee” was established on October 8 2012 and it has taken outcomes discussed to be discussed in the parliament as well as exhorting them to investigate the project (See Section 4.2.1 [Participation]). This “Letpadaung Salvation Committee” was formed to discuss with Wanbao’s copper mining operators, local government officers and affected villagers.

The Letpadaung copper mine was as a test to the weakness of proper policies and regulations of the Myanmar government and foreign investment companies in the transitional period of Myanmar. It was the biggest protest since the period of the reformist Government in Myanmar after the Myit-Sone Dam episode and its subsequent suspension in 2008. During the process of the Letpadaung project different actors demonstrated their activities which were an implication of governance in different timelines. The government organized a parliamentary investigation commission and an implementation commission that had never existed or been implemented in the era of military government. The company demonstrated

not only their willingness to engage in CSR activities but also hired an international organization to do EIA&SIA in Letpadaung that was intended to reduce the negative impacts on economic and food security of local community. The Letpadaung project became a sample project to review the policies of foreign investment and the regulation of the process for other future projects in Myanmar.

### **5.3.2. Difficulties to solve the problem**

On the other hand, although the implication of governance had positive examples in Letpadaung copper mine, it proved to be difficult to implement the Investigation Commission's recommendations in the real-life situation.

The first reason why it has been difficult to solve the problems in Letpadaung is that the Wanbao's owners and the project developers have not taken reasonable responsibility and accountability for the affected local communities. Land was grabbed with unfair compensation since the beginning of the project and the economic and food security have been threatened due to the expansion of the project. Wanbao did not show its accountability sufficiently in responding to the affected villagers' concerns and requests.

Other reasons for the difficulty in solving these problems involved the quality of governance. As Van and Izianna (2013) argue, the regulation of governance in institutions and their attributes support identifying the scope of livelihood and human security (economic and food security). In this episodal context newly emerging livelihood problems especially economic and food security deprivation due to the copper mining project has also provided an opportunity to think of the policies of transitional Myanmar. Policy or regulations should be strengthened or

changed in a way that ensures governance in Myanmar. As discussed in Chapter 4, the lack of accountability by the Company, the lack of accountability by the local government and the lack of influence of civil societies and the local community are the main important factors in the case of Letpadaung.

### **5.3.3. Evaluating Governance Framework**

This thesis applied the framework of governance to analyze the problems in terms of the changes of economic and food security impact by Letpadaung copper mine project in Myanmar. As described in Section 1.4, the framework is composed of the three linked dimensions of different actors' interactions, governance of the decision-making process, and the community's economic and food security changes which were intended to evaluate the influence and impact of governance and how it shapes the changes in economic and food security in the community. The framework of governance showed clearly how and in what context the copper mining project created problems in Myanmar.

The research has studied the reasons how governance shapes changes in economic and food security in the community. Although the project developers are assisting with some measures which are risk-reducing, however there is still a high impact in terms of social and environmental damage which remained unaddressed. It was not considered within the academic discussion on governance. The framework is likely not to recognize the new projects to have an impact on the economic and food security. Letpadaung copper mine, which is used as the example, is a project that has been billed as being for the benefit of economic growth for the country, but has the huge negative impact without any increasing in governance. To elaborate further, there has not only been a lack of participation, transparency and

accountability but also the regulation and policies from the government as the decision-maker did not make an effort to understand the problems and public desires, thus the decision on governance should be expanded to reconsider the diverse impact of development projects such as these in the future.

#### **5.4. Recommendation**

##### **5.4.1. Recommendations for the Government**

- Recognize that large scale industries projects, including Letpdaung copper mine, have the potential to create negative impact on economic and food security on nearby villagers.
- Strengthen the policies on EIA&SIA in Myanmar via parliamentary or constitutional legislature and its implementation once passed, including toward foreign investment companies.

##### **5.4.2. Recommendation for the Parliamentary Implementation Commission**

- Implementation commission should respond to the voices of people, academic, civil society and the local community. It is also crucial that the commission should take into account and later formulate justifiable replies at a level for local people's concerns as well as the need for them to have information pertaining to the project and how it will impact their lives.
- Moreover the commission should also take accountability on ensuring acceptance of the local community to their findings and subsequent implementation or corrections done based on their findings. The selection of the Implementation commission members should include all stakeholders



relevant to the project including members of the local community and be selected by the people.

#### **5.4.3. Recommendations for the Company**

- Project developer should conduct Environmental and Social Impact Assessment which includes stakeholder identification. All stakeholders which are concerned about Letpadaung project (or) representatives who are elected by a consensus should be a part of this investigative process, ideally via a joint committee. This committee will monitor and conduct changes based on the recommendations of the investigation report and surveys from local community via thorough spot checks, for example. On the other hand this committee will monitor and announce whether the implementation committee is conducting the recommended changes or not and also whether the project developers are following these established guidelines or required changes or not.
- The company should explain the delays in implementation of the investigation commission's recommendation and be subject to the committee's review.

#### **5.4.4. Recommendation for Community**

- Recognize that large scale development projects, including those such as the Letpadaung copper mine, have the potential to create a negative impact on economic and food security to the community and community views should be considered before decision making process on this by the government.

- Request effective participation into the decision-making process and enough information about the project before construction begins. Monitor whether it affects security of local economies and food, harm and risks are equally known and addressed among stakeholders, and point out the Company or local government officers' lack of accountability and recognition of negative impact of such projects.
- Organize networks to express local community concerns and possible effects of the situation to the local government, concerned company or even through the mass media to the general public.

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### Appendix B

No.	Organization	Occupation	Place of Interview	Date of Interviews
1.	Yangon People Honorable Network (YPHN)	Activist	Yangon	June 18,2013
2.	Paung Kuu	Director, Paung Kuu	Yangon	June 24,2013
3.	Letpadaung Salvation Committee (LSC)	Vice-President	Ton Ywar Ma	June 26, 2013
4.	Political Prisoner Family Benefit Network(PPFBM)	Activist	Ton Ywar Ma	June 30,2013
5.	Investigation Commission Member (ICM)	Member	Ton Ywar Ma	July 2, 2013
6.	88 <sup>th</sup> Generation Student	File Coordinator for Farmer issues	Yangon	July 8,2013

## Appendix C

### Committee members of Parliamentary Investigation Commission on Letpadaung Copper Mine

- 1) Daw Aung San Suu Kyi (Chair Person); Pyithu Hluttaw representative, Yangon Region, Kawhmu Township Constituency
- 2) U Kyaw Tint Swe (Secretary); Ambassador (Retired) Myanmar National Human Rights Commission
- 3) U Lun Thi (Member); Pyitthu Hluttaw representative Yangon Region, Kungyagon Township Constituency,
- 4) U Than Myint (Member); Pyithu Hluttaw representative, Sagaing Region, Salingyi Township Constituency
- 5) Daw Khin San Hlaing (Member), Pyitthu Hluttaw representative, Sagaing Region, Pale Township Constituency
- 6) U Zaw Myint Pe (Member); Amyotha Hluttaw representative Madalay Region, Constituency No. 5
- 7) U Maung Maung Aye (Member); Senior Consultant on Social Assessment Myanmar Environmental Institute
- 8) U Win Htein (Member); Director-General Mining Department , Ministry of Mines
- 9) U Myint Swe ( Member); Director-General, Settlement and Land Records Department, Ministry of Agriculture and Irrigation
- 10) U Tin Myint (Member); Deputy Director-General, General Administration Department, Ministry of Home Affairs

- 11) U Hla Maung Thein (Member); Deputy Director-General, Environment Conservation Department, Ministry of Environmental Conservation and Forestry
- 12) Dr.Myint Thein (Member); Director, Occupational Health Department, Ministry of Health
- 13) Lt-Col Aung Than (Member); Ministry of Defense
- 14) U Bo Than (Member); Kankon Village, Kyaukmyat Village-tract, Salingyi Township, Sagaing Region
- 15) U Aung Zaw Oo (Member); Wat Hmay village, Ywashe Village-tract, Saling Township, Sagaing Region
- 16) U Bo Htay (Member); Ton Ywar Ma village, Ton Village-tract, Salingyi Township, Sagaing Region



## VITA

Mr. April Kyu Kyu received his Bachelor of Art in English (B.A English) from Taunggyi University, Southern Shan State, Myanmar. As well as he also got his diploma on Social Work and Development Studies in Yangon University.

He reached to Yangon in 2009, and then started working with Participatory Enlightenment Team (PET) as a capacity development trainer for 1 and half years. April Kyu Kyu conducted community based development projects with community organization in all over Myanmar. He was instrumental in organizing and networking his fellow CBOs and enhances the development of community with their strength. After that, he joined a Community Development and Civil Empowerment (CDCE) training in Chiang Mai University which encourage him to learn about the broader area of development. His concerns on development projects bring not only advantages but also disadvantages pursue him to apply the Master of Art in International Development Studies at Chulalongkorn University.