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Tension Over Dam Project Shifts Myanmar's Politics

By a WSJ Staff Reporter

Myanmar's government is urging pro-democracy leader Aung San Suu Kyi to register her opposition group so it can formally take part in the country's political system—a move that analysts said was partly to counter growing criticism of Myanmar's environmental record and the impact of a Chinese-financed megadam project in the north of the country.

Information Minister Kyaw Hsan told an unusual press conference in the capital Naypyitaw on Friday that the government so far isn't cracking down on Ms. Suu Kyi and her supporters in order to help bridge the political divides in the country after November's national election. Ms. Suu Kyi's National League for Democracy refused to take part in the vote, calling it unfair and a charade designed to make the country's longstanding military rulers more palatable to the rest of the world.

Ms. Suu Kyi also met with Myanmar Labor Minister Aung Kyi in the main city Yangon where they discussed ways for the two sides to cooperate.

Mr. Kyaw Hsan was speaking two days before Ms. Suu Kyi plans to make her first political trip into Myanmar's countryside since her release from seven years of house arrest in November. The foray is raising political tensions in the country. During her last such visit to Myanmar's

rural areas in 2003, she was arrested after a mob attacked her caravan and killed some of her supporters.

Ms. Suu Kyi, a 66 years old Nobel Peace Prize winner, is piling further pressure on the new government by loudly criticizing the country's single largest hydropower project—the \$3.6 billion Myitsone dam being built by China in Kachin state in northern Myanmar.

Environmental activists and members of the Kachin ethnic minority say the 6,000-megawatt project will force villagers to leave their homes and could flood an area the size of Singapore, all due to the government's eagerness to please China and feed its growing power demand.

In a statement issued Thursday, Ms. Suu Kyi said the dam endangers the flow of the Irrawaddy River, which she described as “the most significant geographical feature of our country.” She warned that 12,000 people from 63 villages have been relocated, although an article in the government-run New Light of Myanmar newspaper Wednesday reported that 2,146 people had been ordered to leave their homes and relocated.

An op-ed in the New Light of Myanmar defended the project, saying it had already provided more than 2,600 jobs, according to a translation by Burmanet. “State leaders will not give the green light to implement a proj-

ect that is not beneficial to the nation and the people,” it added.

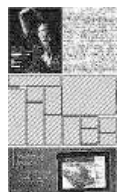
The Chinese company investing in the project, **China Power Investment Corp.**, couldn't be reached to comment.

Ms. Suu Kyi's move to rally around the environmentalists' cause is significant, analysts say. Activists in other Asian countries such as Vietnam and Malaysia also have seized on controversial mining or power or refining projects to criticize their government.

In many cases, the contentious projects threaten to damage the environment while aiding China's economic development. Some Vietnamese critics have been jailed for lobbying against a Chinese-financed mining project in the ecologically sensitive Central Highlands region, even though their cause also has been embraced by influential figures including a legendary war hero, 99-year-old Gen. Vo Nguyen Giap.

Now, the green lobby is making itself felt in Myanmar—and with some distinct anti-Chinese undertones.

“There is incredible tension over this Chinese investment. The dam is causing a lot of unhappiness and this tension is being exacerbated by the fact that much of the power is going to China,” said Sean Turnell, a Myanmar expert at Australia's Macquarie University.





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"China's voracious demand is a new thing, and critiquing governments on environmental issues is a relatively safe way of going about it," he said.

Ms. Suu Kyi's criticism of the Myitsone project could further propel the issue into the public eye, and the U.S. has been quick to tap into widespread anxiety over hydropower projects as a means of countering China's growing influence over parts of Southeast Asia. Last year, Secretary of State Hillary Clinton launched plans to push development projects along the lower reaches of the Mekong River, which flows from China down through Myanmar, Thailand, Laos and Cambodia to Vietnam.

Still, Myanmar's top leaders enjoy close relations with China, which they see as a valuable market for its potential hydro-power reserves and which to some extent has offset the impact of Western sanctions on the country, analysts say. They say the invitation to Ms. Suu Kyi to formally register her NLD might be a way of trying to improve Myanmar's reputation after last year's election, which saw a military junta step down in favor of a civilian government.

Maung Zarni, Myanmar research fellow at the London School of Economics, described Friday's press conference and invitation to Ms. Suu Kyi as "public-relations stunts" and "cosmetic tactical moves." He said the government's actions "need to be weighed against the generals' intransigence and failures to undertake any meaningful changes in policy and leadership over almost half a century."

Government officials also have invited Ms. Suu Kyi to attend a poverty-reduction conference in Naypyitaw. The person familiar with Ms. Suu Kyi's plans said she plans to attend.

Perhaps the real test for the Myanmar government's openness will come with Ms. Suu Kyi's upcoming tour. On Sunday, she will visit Bago, around 50 miles north of Yangon. A person familiar with her plans says she will open a library and meet with local teachers. She also plans to meet with NLD leaders in the area and listen to what local people have to say.

—Celine Fernandez
in Kuala Lumpur
contributed to this article.



Pro-democracy leader Aung San Suu Kyi after meeting with Labor Minister Aung Mye Thazan in Yangon on Friday