

**Statement of
Gordon G. Chang**

**Subcommittee on Europe, Eurasia, and Emerging Threats
of the
House Committee on Foreign Affairs**

**Water as a Geopolitical Threat
January 16, 2014**

Chairman Rohrabacher, Ranking Member Keating, and distinguished Members of the Committee:

It is a privilege for me to appear before you today, and I thank you for this opportunity.

My name is Gordon Guthrie Chang. I am a writer and live in Bedminster, New Jersey. I worked as a lawyer in Hong Kong from 1981-1991 and Shanghai from 1996-2001. Between these two periods, I frequently traveled to Asia from California. I regularly go there now.

I am the author of *The Coming Collapse of China* (Random House, 2001) and *Nuclear Showdown: North Korea Takes On the World* (Random House, 2006). I write regularly about China's relations with its neighbors and the United States.

China's Water Crisis

The People's Republic of China, over the course of decades, has grossly misused and mismanaged its lakes, rivers, and streams. The resulting freshwater crisis, in the words of senior Beijing leaders, even threatens the existence of the Chinese state. As Wang Shucheng, a former water minister, tells us, "To fight for every drop of water or die: that is the challenge facing China."

Beijing officials, unfortunately, act as if they believe their overblown rhetoric and are now fighting their neighbors for water. China, the world's "hydro-hegemon," is the source of river water to more countries than any other nation, controlling the headwaters

needed by almost half of the world's population, in Central, South, and Southeast Asia as well as Russia.

The People's Republic has 14 land neighbors—13 of them co-riparians—but is a party to no water-sharing treaties, refusing to even begin negotiations on water-sharing with other capitals. “No other country has ever managed to assume such unchallenged riparian preeminence on a continent by controlling the headwaters of multiple international rivers and manipulating their cross-border flows,” notes Brahma Chellaney in *Water, Peace, and War: Confronting the Global Water Crisis*. As the noted water expert reports, the Chinese have commandeered Asia's great rivers by completing on average one large dam a day since 1949.

Until recently, those dams were located inside China's borders. Now, however, Beijing is seeking to harness the water resources of one of its neighbors, Burma, for its own benefit. As it does so, it is encountering local resistance there, and as it encounters local resistance it is blaming the United States for its deteriorating relationships with that once pliant neighbor. The tendency of Chinese leaders to hold us responsible for their own failures can only worsen our ties with them in the years ahead.

The Myitsone Dam

In 2009, a Sino-Burmese consortium controlled by China Power Investment, a Chinese state-owned entity, began work on the Myitsone Dam, located at the headwaters of the Irrawaddy River. It will be the first dam on that vital waterway and a part of a seven-dam cascade, a \$20 billion undertaking.

Myitsone has been called Beijing's attempt to export the Three Gorges Dam, and it is even more unpopular in Burma than that massive project is in China. The Burmese version has been called “a showcase” for the country's former military government, which signed the deal with China without public consultation. Therefore, those who disliked the junta—an overwhelming majority in the country—came out against the dam. And to make matters worse for Myitsone's Beijing backers, the project became a symbol of Chinese exploitation of Burma, which the junta renamed Myanmar. It does not help that, in a power-starved nation, 90% of the dam's electricity will be exported to southern China.

The Burmese have condemned Myitsone for other reasons as well. The dam is located in Kachin State, a minority area, and the Kachins have been uniformly against it, not just the tens of thousands who have been or will be forced to move to avoid the waters. The dam will flood historical and cultural sites, including what is considered to be the birthplace of the country. The area that will be lost has been called one of the world's “top biodiversity hotspots and a global conservation priority.” Downstream rice farmers expect that Myitsone will rob the river of crucial sediments. The dam is about 60 miles from a major fault line, and if it failed, it would flood Myikyina, the largest city in Kachin State. Says Ah Nan of Burma Rivers Network, an environmental group, “People

across the country have already clearly spoken, and said that the Myitsone dam is unacceptable.”

It would be hard to design a project less popular than Myitsone, and so it should be no surprise that on September 30, 2011 President Thein Sein, deferring to “the aspiration and wishes of the people,” issued a statement in Parliament suspending work on the dam.

Beijing’s Reaction

Burmese across the country were relieved at news of the suspension, but official China was angry. Within days Beijing found someone to blame: the United States. *People’s Daily*, the Communist Party’s flagship publication, started the attack by suggesting that the U.S. and other Western nations pressured the Burmese government to stop work on Myitsone. As Yun Sun, now at the Stimson Center, wrote as early as the month following the suspension, “China has viewed anti-China sentiment bubbling in Myanmar as a conspiracy stirred up by the West and pro-Western nongovernmental organizations to undercut China’s national interests.”

Unfortunately, the Chinese government has not changed its views since then. “Following its opening up, Myanmar has become a main battleground for the world’s major powers, and the Myitsone project has become a bargaining chip in the resulting geopolitical struggle,” stated *People’s Daily* on September 2, 2013 in an article entitled “China’s Enterprises Demonized on the Myanmar Hydroelectric Project, Sudden Suspension Causing Great Loss.” “Some analyses point out that Western countries, like the United States and Japan, will first have to ruin the Sino-Myanmar relationship in order to expand their influence in Myanmar and demonizing the Myitsone project is an opening. Wikileaks disclosed that the United States has provided assistance to groups that oppose the Myitsone dam project.”

Similarly, the website of China Power Investment, the dominate partner in the project, now carries an August 14, 2013 piece from *Ta Kung Pao*, the Hong Kong newspaper that often acts as a mouthpiece for Beijing. The paper, reinforcing the Communist Party’s conspiratorial narrative, suggests that the Burmese government suspended Myitsone to curry favor with the West.

The Chinese, says Kelley Currie of Project 2049 Institute, “still haven’t really figured out that they are operating in a new context” in Burma. They see the U.S. lurking in the shadows and believe it is determined to undermine their plans. “The Chinese,” she points out, “are still holding on to this idea that we’re stirring up trouble and causing problems for them and if they can just get to the right people and throw money at the problem they can fix it.”

The perceptions of Beijing officials show how much they misperceive what is happening just next door to them. There has indeed been a change in context, they have failed to take into account “local sensitivities” in Burma, and they have fixated on the United

States as if Washington was the cause of their misery. Beijing's views show how out of touch authoritarian systems can be.

America's Hopes for China

For more than four decades the United States has sought to engage the Chinese and bring them into the international system, yet after all this time we are still incorrectly perceived to be an enemy. The Myitsone dam episode, therefore, suggests that America's fundamental approach to the People's Republic may be failing and that it may not be possible for authoritarian states to maintain good relationships with democratizing societies, like Burma's.

Of course, the Myitsone dam, despite how hard *People's Daily* tries to portray it, is not an American issue. What is important for us, however, is that Beijing's first instinct was to blame the United States for its own failings in Burma. That certainly affects us and is a warning sign that we may never have good relations with China as long as the Communist Party rules.

In short, the Myitsone fiasco suggests that China's problem is not just water; it is also its authoritarianism.