

# **PROBLEMS IN KACHIN AND SHAN STATES OF MYANMAR AND ITS IMPACT ON CHINA**

Dissertation Submitted to the Department of International Relations, Sikkim  
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Degree of

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Submitted by

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Date: 25<sup>th</sup> February, 2015

## **DECLARATION**

I declare that the dissertation entitled “**Problems in Kachin and Shan States of Myanmar and Its Impact on China**” submitted to the Sikkim University for the award of the degree of **Master of Philosophy** is my original work. This dissertation has not been submitted for any other degree of this university or any other university.

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## CERTIFICATE

This is to certify that the dissertation entitled “**Problems in Kachin and Shan States of Myanmar and Its Impact on China**” submitted to the Sikkim University in partial fulfillment of the requirements for the degree of **Master of Philosophy in International Relations**, embodies the results of bona fide research work carried out by Mr. Pema Tseten Lachungpa under my guidance and supervision.. No part of the dissertation has been submitted for any other degree, diploma, associate-ship, fellowship. All the assistance and help received during the course of the investigation have been duly acknowledged by him.

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**DEDICATED TO MY AMLA AND APALA**

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## **List of Acronyms**

AFPFL	Anti Fascist People Freedom League
BCP	Burmese Communist Party
BIA	Burmese Independence Army
BSPP	Burmese Socialist Programme Party
CCP	Chinese Communist Party
CNOOC	China's National Offshore Oil Corporation
CNPC	China National Petroleum Corporation
CPB	Communist Party of Burma
KBC	Kachin Baptist Church
KIA	Kachin Independence Army
KIO	Kachin Independence Organization
KMT	Kuomintang Troops
KNU	Karen National Union
MNDAA	Myanmar National Democratic Alliance Army
MOGE	Myanmar Oil and Gas Enterprise
NLD	National League for Democracy
NUP	National Unity Party
PLA	People's Liberation Army
PRC	People's Republic of China
RCC	Revolutionary Command Council
SCOUHP	Supreme Council of United Hill Peoples
SEZ	Special Economic Zones
SINOPEC	China National Petroleum Corporation

SSA	Shan State Army
SSUP	Shan State Unity Party
UWSA	United Wa State Army



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# **CHAPTER-I**

## **INTRODUCTION**

The study is an attempt towards understanding the ethnic conflicts in Kachin and Shan states in Myanmar<sup>1</sup> and how China's interest in Myanmar has been influenced by the conflicts in these two states. The focus is made on two states as it tends to serve an important interest for both China and Myanmar as the region contains very rich natural resources. Myanmar's strategic location at the junction of South Asia, South-East Asia and China is both economically and strategically significant. Myanmar, particularly the border region of Kachin and Shan state offers China's landlocked inland provinces of Yunnan and Sichuan a trading outlet to the Indian Ocean and the possibility of a strategic presence there, thus escaping U.S. encirclement and containing Indian influence.

However, the continuous civil war and the discrimination against the ethnic minorities in this region by the Myanmar government forces have made a wide difference in the changing attitude of the leaders and groups. The absence of a reasonable dialogue between the parties has also failed the progress of national reconciliation and notion of federal and unitary debate between the ethnic minority groups and the government have tend to upstage for immediate democracy. Connecting these and the internal constraints have delineated the outlook of Myanmar vis-à-vis with other Nations.

Myanmar's fractured ethnic map remains a significant risk factor for Chinese investments. China's recent reliance on Myanmar's military government to protect its interests has left Chinese projects exposed to the hazards of continuing ethnic conflict in Myanmar's transition. Much of Myanmar's unexploited natural resource wealth and several Chinese- invested infrastructure projects lies in ethnic areas of Kachin and Shan border areas. Some of these projects have become triggers for or focus of conflict.

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<sup>1</sup> The name 'Myanmar' and 'Burma' refer to one country. The name Myanmar was changed by the then military government in 1989 to its previous name Burma. Throughout my course of research I will be using Myanmar and Burma interchangeably in reference to the use of the name.

## **Myanmar during British Colonialism**

Myanmar is a sovereign state situated in the region of Southeast Asia. The country is sandwiched between Asia's two big countries viz China and India in the North, extending into the Andaman Sea and the Bay of Bengal in the South with Laos in the East and Bangladesh in the West. As a British colony since 1880s till its independence, Myanmar received a fair share of attention from the outside world. During its pre independence years, the strategic location of Myanmar had great significance as it provided trading routes between China and India, keeping Myanmar wealthy and prosperous through constant trade. The British were then the paramount power in India. From their offices in Madras, Bengal and Bombay, the East India Company enjoyed a lucrative control over the entire subcontinent. With its enormous potential and excessive control over vast empire, the British felt the importance of Myanmar in terms of its location which lies between the Indian empire and the still barely explored interior of China (Myint-U 2011; 15). The idea of exploring, exploiting and establishing their hegemonic control incurred them to look for new routes and alliances and significantly they came closer towards Myanmar by establishing new routes and attempting new communication with the tribal chiefs. Because of its location, particularly trade routes between China and India passing straight through the country, the British felt the importance of Myanmar under their plan of expansion. Thus the three successive Anglo- Burmese wars of 1824-26, 1852-53 and 1885-86 culminated to the British occupation and annexation of Burma.

Ever since the British occupied and annexed Burma, it took Burma into a new period of transformation. Under British, Burmese economy grew and with it there was a need for cheap labour as well as entrepreneurial and skilled professionals which all came from India when Burma was brought under India province in 1886 (Myint-U 2011:18). The movement encouraged the influx of people resulting in increasing ethnic diversity in Burma. This new influx of people reduced the Burmese culture and religion to minority and it was hard for some Burmese people to accept it.

The strategic and the economic significance of Burma attracted the colonial British and accordingly they wanted to exploit the resources. This policy of extracting the rich resources of Burma disturbed the delicate ethnic balance of Burma. One of the most

important effects of British colonization was that ethnic diversity in Burma increased. To the West, on the border with India, were the Arakanese while to the southeast were the Mon and, in the eastern hills, the Karen. Rangoon and Pegu, with the former being the trade capital of the country, consisted of a mixture of all races but primarily the ethnic-majority Burman and many Karen. It was the British plan to extract the economic resources by exploiting the rich abundance of the land and they didn't keep the seriousness of the ethnic balance of the nation. Under British, there was still no Burma in its real form. The British deliberately divided Burma in accordance with their 'divide-and-rule' policy. What can be said about the divide-and-rule thesis was that it was based on administrative convenience, informed by the economic-commercial viability of the real estate in question. That is to say, areas that were accessible from the sea, fertile, productive, and where an infrastructure could be built at low cost, were usually placed under direct rule, whereas the hinterland with hardly any infrastructure, controlled by traditional rulers, was loosely supervised by colonial officers. In Burma, the Irrawaddy basin constituting the Burman homeland, i.e. Burma Proper, was ruled directly and thus became developed and reached some degree of modernization. The Frontier or the Excluded Areas were left to their own respective rulers to maintain their feudal administration (Keenan 2011:12) and became less developed.

The separate administration of Burma Proper and the Frontiers Areas kept the land divided under diarchy and divide and rule policy of the British causing further deterioration in the ethnic relations. The religion also played a role to ethnic conflicts. After the first Anglo-Burmese war, British and American missionaries were able to convert a large proportion of the hill tribes to Christianity and used them in suppressing the Buddhist rebellion. With the expulsion of the last Burman King of the Konbaung dynasty, Thibaw, the British removed the head of the Buddhist religion leading to widespread resentment not only towards the British but also to those who worked with them. As a result the general image of the pre-colonial Burma was unsurprisingly, obscure and contested bringing sudden change in Burma, with British invasion, three wars, annexation and the rapid severing of traditional authority. This had a traumatising effect to the Burmese society, as it destroyed traditional relationships between village

heads and the urban gentry, which had previously ensured physical security and aid in the event of such crises.

Like all nation-states that emerged after the withdrawal of colonial powers Burma too is the child of colonial order as prior to the advent of colonial powers, Burma in its present form did not exist at all. The ethnic resistance movements in Burma lies deeply rooted in the colonial period and their discriminatory policies. The legacy of the division of ethnic groups on the line of majority Burman and ethnic non-Burman groups<sup>2</sup> of Frontier Area significantly corresponds to the rule of British. The most significant and initial signs of ethnic differences and discrimination against the modernizing and unifying state was born out of British womb. The policies and administration pursued by the British proved instrumental in deterioration of contact and cooperation between the diverse ethnic peoples of Burma while ethnic conflict was fostered. The general political course of the country which was unified then under the last monarch of the Thibaw, significantly led to the struggle of ethnic groups for recognition and representation. The root of ethnic conflicts in Burma may therefore be traced back to the British rule.

### **Nation Building and the Ethnic Question in the Post Independence Myanmar**

In the initial phase of independent Myanmar after gaining its independence from Britain in 1948, the state and nation builders faced great challenges. Contesting calls for state power, an ethnically diverse population, various religious groups and remnants of colonial rule were important issues that called for attention. The ethnic groups felt that the immediate concern of post-independence years was the nation-building strategies to meet these diverse challenges. As a result of this, factionalism among different groups developed into a lasting feature of the Myanmar political landscape. On independence, different ethnic groups opted for a multi party parliamentary democratic system of government but this democratic experiment of governance never met with success. Moreover, the Anti Fascist People Freedom League (AFPFL) government that took power in 1948 was an alliance of several political factions. It had not been formed on the

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<sup>2</sup> The term 'ethnic non-Burman' is here used to denote the Mon, Kachin, Rakhine, Shan, etc. segments of the population in Burma, and to differentiate them from the Burmans (i.e. the speakers of Burmese) or ethnic Burmese.

basis of a common political ideology, but on its common goal to end colonial rule. The AFPFL government advanced in the creation of a welfare state as its main nation-building policy and with the end of colonial rule in Myanmar the expectations developed that government should rule in the name of a people and therefore to define and mould the people. Therefore nation building and state nationalism gained greater importance after the end of colonial rule than before. The government appealed to the collective trauma that the country had undergone under British Colonial rule. The British believed in the economic progress and as such exploited Burma to great extent. This exploitation brought difficulties to the Burmese people who were very poor as compared to Indian and Chinese who had easier access to capital and profited to a greater extent. This exclusion of Burmese people from the economy and the onset of social disintegration created dissatisfaction in the light of colonial rule.

The 1948 Constitution that was formed immediately after independence included the core responsibility to the states and the government in structuring and rebuilding the nation and preserving the national identity that remained fragmented under the colonial British. With regard to nation-building in independent Burma, it is important to recognize that the first foundation stones were laid in 1947 when the Panglong Accord was signed in the Shan State. The Panglong Conference in 1947 brought the Burman majority together with other Burmese ethnic groups (Cline 2009:577). This politically defining document was signed between Aung San<sup>3</sup> (possibly the only Burman figure to enjoy the trust of the ethnic minorities, and thus, the only man who could conceivably unite all of Burma), the Shan Sawbwa princes and representatives of the Shan, Kachin, and Chin peoples. This famous conference of 1947 was actually the second meeting to take place at Panglong. An earlier gathering in March 1946 brought together leaders of the Shan, Chin, Kachin, and Karen in what was primarily a celebration of ethnic diversity. This meeting also had a political agenda where discussions were held regarding the future status of the people of the Frontier Areas after independence. One of the highlights of this first conference

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<sup>3</sup> General Aung San was a Burmese revolutionary and nationalist who is considered to be the Father of modern-day Burma. He was responsible for bringing Burma's independence from British colonial rule in Burma and is recognized as the leading architect of independence, and the founder of the Union of Burma. His political activity reflected his anti-British and anti-imperialist ideology and was the driving force behind the nationalist movement that won Burma its freedom from British colonial rule in 1948.

was a proposal by H. N. C. Stevenson (the British director of the Frontier Areas) who worked tirelessly in the year leading up to independence to ensure that ethnic minority concerns were addressed both by the British administration and the AFPFL. He proposed for creation of United Frontier Union consisting of Chin, Kachin, Shan, Karenni, and Karen territory. But it was denied by the AFPFL despite being accepted by the minority groups. The British White Paper of 1945 (a document discussing the future status of Burma) stated that no decision would be made on behalf of the people of the Frontier Areas without their consent. They were to be placed under a special regime under the Governor until such time as their inhabitants signify their desire for some suitable form of amalgamation of their territories with Burma proper (Walton 2008:895). This decision led to frustration to many minority groups at not having been involved in discussions, and as such it seemed to indicate that they would have to be involved in future talks regarding their status. Hence the talk was brought forward at the second Panglong Conference on February 12, 1947.

Under this historic conference, the operation to unify the various ethnic groups was discussed; its peoples would join together in an alliance to obtain independence from Britain and to establish a Union of equal and self-determining states—the Union of Burma or a Union of nation-states, implying a federation of states. The outcome of this meet was satisfactory perhaps granting greater autonomy and freedom of rights to the Frontier Areas ethnic groups. The Shan and Karenni each were promised a state with local autonomy and the right of independence after a 10-year period. The Kachin also benefitted with the future demarcation of the state accordingly. Moreover, it was also envisaged in the agreement that the Frontiers Areas will completely enjoy internal autonomy and a sense of freedom of rights without interference from outside.

The Panglong Accord was signed keeping in mind of setting up a federal union on the foundation of equality and autonomy for every ethnic nationality with equal opportunity and self-determination. Thus the principles of ‘unity in diversity’ and ‘self-determination’, implying the widest of autonomy for the states, which would underpin the Union was the vision that led to the signing of the Panglong Accord in 1947. This vision provided for a unitary form of state, decentralized to some degree but not federal. The

Panglong accord gained ascendancy and was in force for almost twelve years, from 1948 to 1962, but beginning of 1960's it was certainly not keeping in line with the Panglong Spirit or with the vision of Aung San. The major reason was the assassination of General Aung San and his colleagues on the eve of independence. The incident brought the country into anarchy and the initial concern of the ethnic problem began to surface with the spirit of unity greatly extinguished. The successor to Aung San, U Nu and his government did not have the stature nor could they play the role as Aung San did in the nation building. They failed to understand the psychological background to the problems. Moreover understanding comes from certain emotional appreciation of other people and this understanding was completely missing in them. Following independence, resistance of societal segments occurred especially with the ethnic groups, and as such the state was frowned upon as obstructing the laudable nation and state-building efforts of the modern state and its leaders.

With the end of colonial rule, socialism and nationalism were ideologies appealing to policy-makers as bases for building a post-independence nation (Gruss 2008:15). The U Nu government attempted to implement a political system leaning towards a socialist ideology hoping to gather support among its citizens by attempting to implement a socialist welfare system and to provide increased spiritual guidance by centre-staging Buddhism. But his introduction of Buddhist socialism were confronted by the non westernized majority of Burma's people with its traditional outlook as it affected the thought of the decisive revolutionary and the minority groups. The attempt to build the nation around a moderate socialist, political and economic system was interrupted by the ravage of ethnic conflicts and civil war. The value of secularism, tolerance and all inclusiveness forms the basis of national identity and this was completely subjugated under the U Nu's government. The issues of identity and the domestic political calculation frequently interfered with the rational decision making process of the government. The ethnic populations were increasingly distrustful over the role and attitude of the government towards the minority populations. A feeling of negligence in nation building led to further polarization of opinions. Fluctuation began to incur caused by the change in the internal environment by ethnic rights and security, diplomatic constellation by preferences and the personal style of U Nu as a leader. The ethnic trouble



thus became almost a permanent issue in Myanmar's politics. The U Nu government also failed to handle the economic issues properly, because it failed to address properly the age-old legacies left by the past regimes in the socio-economic domains, consequently ethnic issues coupled with other socio economic issues created the circumstances leading to the failure of the democratic experiment and the imposition of the military rule in Myanmar. Burma's parliamentary-based institution under U Nu failed to come up with a definite solution to the disparate conflicts and after a decade of defeat and frustration the civilian Prime Minister, U Nu, handed over power to a military caretaker government led by General Ne Win.

### **Emergence of Military Rule in Burma and the Ethnic Issues**

In 1962, Ne Win and the military consolidated their hold on power by staging a coup d'état and appropriated state power by abandoning any pretence of a constitution in favor of a martial law regime. The hegemonic rise in the military through coup was generally on the pretext of making the military as a vehicle to unite the nation and thus ending the post colonial period of democratic constitutional rule which in a way have seriously brought ethnic turmoil and civil unrest. Under the coup, General Ne Win suspended the constitution, banned all the political parties, and operated the political system through the Revolutionary Command Council (RCC)<sup>4</sup>. He placed Burma under direct military rule amidst all the ethnic tension and turmoil that was happening throughout the nation. He oversaw the indoctrination of military officers through the use of military curricula that asserted that only military could ultimately save the ethnically diverse country from disintegration and disunity. At the same time, he enforced unity in the military and was quick to remove anyone he perceived as having an opinion different from his own.

The military's nation-building formula fit together with its top-down idea of state-society relations, with a command-and-control orientation. In a conflict situation where the military could, as it were, makes its own decision, and was seen as the vanguard and

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<sup>4</sup> The Revolutionary Command Council also known as the Union Revolutionary Council, was the supreme governing body of Burma (now Myanmar) formed by General Ne Win, following the overthrow of U Nu's civilian government and its members were drawn almost exclusively from the Tatmadaw (Myanmar armed forces). The Revolutionary Council's philosophical framework was laid in the Burmese Way to Socialism, which aspired to convert Burma into a self-sustaining socialist democratic state.

defender of the nation, it took on the task of nation-building according to its notion of nationhood. This formula had not only been destructive but also a failure in terms of creating a viable multi-ethnic nation-state. Ne Win and the Revolutionary Council introduced 'Burmese road to socialism' constituting a one party socialist system called Burmese Socialist Programme Party (BSPP) which was proclaimed as a sole authorised party founded to implement the Burmese Way to Socialism. The Revolutionary Council considered Socialism as the best and satisfactory way to build a young nation. They felt that the political divisions that characterized the earlier parliamentary government failed in the eyes of the Revolutionary Council to achieve an appropriate form of Socialism. Hence in order to achieve Socialism as a goal, the revolutionary council felt that the radical nationalisation of the economy was to be introduced. But the introduction of economic nationalism as the guiding force behind any economic policy implementation resulted in the failure. Language policies became a contentious issue. Burmese was declared the only official language of instruction in all universities and pre-university classes. Teaching of minority languages was partly restricted. The Revolutionary Council attempted to subsume all issues by and large related to nation building under the header socialist endeavor. No matter whether it concerned health issues or questions of the right way to lead the revolution, Socialism was presented as the appropriate way to address all issues. In a nutshell, the Revolutionary Council considered constitutional reform as a way to achieve their socialist goals. The Revolutionary Council distanced themselves from parliamentary period politics and saw them as dominated by divisive party political interests. Issues of ethnic insurgent movements were rather addressed through combat than political or institutional reform (Gruss 2008:27).

The general picture of Burma under the Ne Win can be characterised by scorched earth campaign, and militarization of the state. General Ne Win used Tatmadaw (Myanmar Armed force) and the party (the BSPP) as a means of building ethnically homogenous unitary state with the notion of one religion, one language, one ethnicity (Sakhong 2012:7). In the process of building ethnically homogenous army state, the fundamental rights of all citizens, political equality of ethnic nationalities, and internal self-determination for all member states of the Union were all eliminated. By eliminating cultural, religious and language rights of ethnic nationalities through the laws made by

the BSPP in the name of the state, the notion of “unity in diversity” as “political values” ceased to exist in Burma.

The effect of actions cannot be controlled entirely nor can they be exactly predicted. It often happens that a policy assigned to serve the national interest, actually undermines it and that a policy chosen for idealist reasons, actually turns out to be very much in the national interest (Engelmeier 2009:6). Ne Win and the Revolutionary Council’s brand of socialism and its policy of imposing ethnic forced-assimilation through the nation-building process solidified under domestic insurgents which ultimately descended into civil war. Moreover Ne Win’s nation-building formula, and their brutal methods, did not promote any sense of nationhood among the ethnic groups but instead created a situation of vertical dysfunction between the state and the significant ethnic non-Burman segment of the broader society.

On the retirement of Ne Win and the other military personnel belonging to his generation, the military was taken over by a new generation, called the State Law and Order Restoration Council (SLORC) 1988-1997 and State Peace and Development Council (SPDC) 1998 onwards. This new institution did not bear any legacy of the freedom movement but announced its plan to hold on to power only until peace and order were re-established in the country. The takeover of the new government was not prepared or planned beforehand but on the contrary the loss of power for the BSPP government came by surprise and no initial plan was drawn on how to address the prevailing concerns or which ideology to follow (Gruss 2008:28). The political situation demanded restoration of law and order and precisely these issues became the main concerns of the military government.

In the absence of a particular political vision, the SLORC/SPDC proclaimed the notion of non-disintegration of the Union and national sovereignty as important bedrock of SLORC/SPDC ideology. Under this new ideology, the new government quickly developed a nation-building through strategy and a dictatorial vocabulary. The regime unlike its predecessor was more ruthless, ruling the country with iron fist. It cracked down on movement that was against their interest. The military government concentrated its effort to the political, economic and social objectives so as to preserve the stability of

the state, community peace and tranquility, prevalence of law and order and national reconsolidation. The fulfillment of the objectives increasingly brought dysfunctional in the state-society relations (Yawnghwe 2009) as the state generally remained unresponsive to the needs and problems of Burmese society. The consequences of state-society dysfunction particularly the economic decay, the weakening of the political institutions, the corruption of the military, the paralysis of the state and its problem-solving capability, the breakdown of all service infrastructures and systems, the societal demands for political space and autonomy, and the military's resistance, and further repression, resulted in a deadlock. As a result, problems that could have been resolved were exacerbated through the incapacity of neglect of the highly autonomous or unresponsive state, and became almost un-resolvable.

Ethnic conflict in Burma is seen as political, in a very fundamental way. The conflict is political because it is both about ethnic identity and rights, about democracy and equal opportunity, and about building nation and state. It involves political fundamentals as to how a nation is to be built, defined or identified, by whom, and in what direction. It has much to do with problems arising from the application of nation-building formulae by the state or by a set of power-holders. It addresses the concerns of ethnic minorities fighting for democratic rights and equal opportunity. Historically, numerous ethnic groups, including Burman and ethnic non-Burman groups have co existed in Myanmar. The ethnic minorities or Burma's ethnic non-Burman groups defines themselves as natives and aboriginal of Burma but marginalised and segregated by the majority Burman groups. They like the Burmans are peoples of the nation. They even have had the experience of administering themselves, albeit under British supervision, for about five decades (ibid). They also had, like the Burmans, their own history, or rather, a sense of history. Because of their role as cofounders of the Union of Burma, by virtue of the 1947 Panglong Accord, the ethnic non-Burman nationalities consider themselves the founding nations of the country. The formula gained ascendancy among the ethnic non Burman groups dominating their plea for freedom and rights based upon the principle of equality for all the country's citizens. On the other hand Government reinforced its firm military rule in which control is buttressed by arbitrary restrictions on citizens, harassment of political activists, intimidation, arrest, detention, and physical abuses.

The ethnic dimension of state-society dysfunction since independence has therefore two facets. One is the perception of ethno-nationalistic feeling, and the other is political. The ethno-nationalistic facet deals with re-integrating the state with society (or the state and the border society that together forms a single national entity) so that the state serves society and reflects the interests and preference of society and forces within it. The political facet concerns the constitutional problem that hinges on the question of how is the relation between the constituent units be ordered, namely, whether Myanmar should be a unitary or federal. The military completely rejects the very idea of federation; the main reason for the military's objection to federalism may be that federalism would bring decentralization of both power and power structures. In a federal union, power would no longer be concentrated in the centre, nor can it be monopolized by one element of the state. Power would rest in different levels of government and be made accessible to democratically empowered local communities. Thus, in a democratic federation, the state (or rather, governments at federal, state, and local level) would necessarily have to be responsive to the priorities, needs, and problems of citizens within the broader society, and most importantly, be committed to the Rule of Law. Given the difficulty of finding an acceptable solution to the problem of political and ethnic diversity, it was not surprising that the new leadership was unable to reconcile the differences and that the resilience of the military government was tested almost frequently by the domestic insurgents particularly the Kachin, Shan and Wa insurgents. These domestic insurgents bolstered the importance of the military to the extent that it had become very powerful and gained much autonomy. Besides, the insurgents groups were also responsible for violence, including deploying land mines and conducting ambushes that caused both civilian and military deaths. The Shan State Army (SSA) insurgents committed retaliatory killings, rapes, and other atrocities against civilians. Karen National Union (KNU) and Kachin Independence Army (KIA) troops reportedly were led by child soldiers. Military government had to struggle hard to weaken the movement of the insurgent as insurgencies of low intensity could not be totally stopped and suppress the insurgencies completely. This realisation might have inducted the military government to sign the cease-fire agreements which would help to curb the armed conflict. The significance of the ceasefire lies in the provision of bringing the whole ethnic group's

under one political umbrella. Realising the real statement of the agreement, not all the ethnic groups are the signatory of the ceasefire. Burma's military government had reached cease-fire agreements with as many of the country's rebel groups including the Kachin Independence Army (KIA) and Shan State Army (SSA) although the terms of the ceasefire agreements were violated eventually leading to its collapse.

Adding to the internal discrimination and human rights abuses of the minority ethnic groups, the minority ethnic groups are externally subjugated by the constitutional amendment and its policy formulation. One such amendment was the 2008 constitution, where minority ethnic leaders had demanded for a change in implementation. The 2008 Constitution was designed in order to build a homogeneous nation-state of Myanmar, in which the military will take the leading role in national politics, remain above the law and be independent from the government, and, therefore, would dominate and control the political power. Hence, whenever a country's military is charged with taking strong action in the interests of national unity, sovereignty and security, members of the armed forces often severely abuse civilians and the ethnic minority groups. Armed with guns and the knowledge that they are not likely to be held accountable for their abuses, members of the military often resort to inhumane behavior thus projecting one of the most difficult challenges in relation to making progress toward nation building, combating impunity, and reforming institutions responsible for mass violations of human rights. The government failed to come up with a viable solution to these problems and has been resorting to the rule of the military forces. In the attempt to preserve the unified state of Myanmar, it created a ruckus in the great reconciliation and development with the non Burmese or the minority ethnic groups.

The present scenario is in search for a suitable platform, where the questions regarding ethnicity and ethnic rights could be addressed in a more active way. But even then government seems to realise that this is a very contentious issue and does not attempt to mimic the uncontested acceptance of diverse cultural heritage in public. Thus overall the nation building project and national identity became deeply internalised within Myanmar expecting it to play an important role after the early years of independence and the consecutive post-colonial governments. With independence, competing faction between

different ideologies began to surface which failed to address the competing visions of the nation. The difference in ideological fights alienated parts of the population further and created deep schism in the political landscape and hampered the process of national reconciliation.

## **MYANMAR'S INTERACTION WITH THE OUTSIDE WORLD**

The rise of Myanmar is the subject of greater transformation of the government and its leaders in all spheres of influence and its capacity to look and to reform the basic assumptions and processes that have ruled Myanmar for past decades. Since independence, Myanmar planned her own course to protect her national interest and development. This new path was not a normal and easy one but rather a daunting one characterised by violence, disunity and relative poverty giving immense challenges to the leaders in the process of nation building and preservation of national identity. Still, Myanmar remains an arena for ethnic insurgents and civil war. The ethnic non-Burman groups under the impression of equality and share of common benefits after independence remained diluted over the years from an independent state, to self rule, to limited autonomy, to equal rights, marginalised and excluded from the mainstream and being given differential treatment as opposed to the favored ethnic Burman people. Therefore the gravest challenge Myanmar faced in the process of nation-building was integrating the ethnic groups and the application of national identity formation of the country in the mainstream. The resistance and the obstruction in the process of nation building and bringing different ethnic groups of Myanmar together under one umbrella in a way brought immense challenge facing the leadership in Myanmar.

The mismanagement of domestic problems facilitated the Myanmar leaders not only to create new sources of growth and wealth, but also making rules that ensure the benefits go to many more than the relatively narrow groups who have largely benefitted in the past. Apart from creating new sources, the leaders also paid emphasis in the technical adjustments, infrastructure investments and policy which created a favourable condition for national identity, unity and progress. The national identity plays a crucial and

important role in analysing the country's behaviour as it causes a long term, persistent and significant idiosyncrasy in relations to the individual country (Engelmeier 2009:1). The government hence needed to have a vision of this goal and how to fit the pieces together. Getting it to work in a shaky world economy<sup>5</sup> with new and still evolving institutions was a huge challenge. But for those who have seen the past clearly for what it was, there can be no doubt that moving forward together was better than going back or staying put.

The task of carrying forward the process was a daunting one given Myanmar's shaky economy and domestic instability. Under such environment Myanmar started building its relations with its neighbors. It is to be noted here that it was after 1980's that Myanmar started interacting with the outside world creating its distinctive, rational and strategic foreign policy by opening up its economy as foreign policy is important to any new state because it reaffirms its independence and articulates its identity (Engelmeier 2009:4). Prior to independence, Myanmar government regarded westernization or any contact with the outside world as threat to her national security as they hugely suffered under English colonialism and Japanese occupation. More significantly, the foreign relations at the time of pre independence have never been a significant success as the nation was unexplored and was given due attention. Myanmar strategic presence as a critical juncture between India and China, in a way warned themselves of not wedging between the two great powers (Hnin 2013:6). Myanmar therefore followed the isolationist and neutral policy<sup>6</sup> focusing more on the long-term political stability and economic development of the country. On the contrary the neutral policy proved to be a grave failure as Myanmar economic and political condition deteriorated. Adding to this difficulty Myanmar was time and again ravaged by the ethnic conflict drive which seriously had dire

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<sup>5</sup> Since independence, Myanmar economy was completely deteriorating under the isolationist policy where every sector of enterprises was brought under their control giving the leaders the only source to enjoy the benefits. As such the general characteristic of the economy was fast collapsing; its value in the international market remained paralyzed.

<sup>6</sup> This policy was brought by then the democratic government of U Nu and it continued with the Ne Win rule when the later ousted the former in a coup. Under this policy, it proposed to follow a neutral policy without engaging with the two ideologies: communism and capitalism that was prevalent at that time. It proposed to support world peace and friendship and conduct foreign policy in line with principle of sovereignty and equality of the nation.



consequences in the process of nation building. The military in way had to deal with dual crises at the same time: the problems of improving its economy which was deteriorating under the neutral policy and the other crisis was directly related to the neutral policy and economic mismanagement of the government which topple the prospect of building the nation. This dualism proved to be a fatal for their incentive for real peace because of the weaken ability of government to maintain real independence. For years, the government budget remained unpublished under 'Burmese path to socialism' where state enterprises had a significant access to significant resources (Dapice 2012:9).

Under such critical juncture Myanmar by the end of 1980s extended to open its economy by dropping the autarkical policy of the past regimes. It wanted to capture most benefits of growth and political and economic concentration of power. The replacing of neutral and isolationist by open and market-oriented economy brought significant stride and development to the nation. With ethnic insurgency and domestic political reforms gathering momentum, however, the government was able to leave behind the essentially defensive, inward-looking security policies of past administrations and greatly increased its interaction with the outside world in pursuit of national development under its market oriented economy. The government thus moved forward to normalize its relation with its neighbor and integrates the country into the region as for the past years Myanmar's foreign policy have mainly focused on the military's efforts to fend off Western pressure for regime change (Pederson 2014:55). Hence this openness and soft policy brought Myanmar's potential neighbor; India and China more closely bringing with them their own criterion to support the government and providing with assistance. India and China are the most proximate and close neighbors of Myanmar and as such dependence on this countries is hard to ignore especially when the two nations are economically beneficial.

### **Chinese Interest in Myanmar**

China's objective in seeking to strengthen its relations with Myanmar lies in protecting their own national interests, particularly their geopolitical security which includes access to the Indian Ocean, stability along the border it shares with Myanmar, energy security, economic cooperation between the two countries, and its relations with developing nations. This coincided with Myanmar's new policy of openness towards neighbouring

countries. The Pauk-Phaw (kinfolk)<sup>7</sup> relationship between China and Myanmar developed comprehensively on the basis of equality and mutual benefit, in the context of a long-term commitment to maintain a friendly and balanced relationship. The location of Myanmar at the tri-junction of South Asia, Southeast Asia and East Asia persuades China to extend its relation with Myanmar as the region makes a strategic gateway (Amrita 2014:54) through which China can expand their connectivity and cooperative links.

China's relation with Myanmar is based on the five principles of peaceful co-existence<sup>8</sup>, agreed upon by Myanmar, China and India in 1954 and scrupulously abiding by the principle of non-interference in the internal affairs of each nation. The five principle of peaceful coexistence served and therefore build Pauk-Phaw relations along long-term commitment to maintain a friendly and balanced relationship. Myanmar was the first non-Communist Asian country to officially recognize the People's Republic of China (PRC) in 1949 (Yi 2013:6). But on the larger picture, relations between the two have never been entirely affectionate particularly for the first few decades after Myanmar independence when they adhered to the neutralist foreign policy to keep itself away from the influence of China and Communism<sup>9</sup>. In addition the anti-Chinese riot of 1967 enabled the Myanmar government to gain control over the PRC's instruments of internal leverage with the expulsion of the ethnic Chinese from Myanmar. The successive government in Myanmar firmly believed that during the 1950s and 1960s the Chinese government or the Chinese Communist Party (CCP) maintained secret contacts with the

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<sup>7</sup> The Sino-Myanmar relationship can be described as "Pauk-Phaw" (kinfolk) friendship. In this kinfolk's relationship, Myanmar, for all practical purposes, is the younger sibling. In other words, Myanmar positions itself as the younger brother to the big brother-China in an asymmetrical relationship. Myanmar reserves this term exclusively to describe her relations with China and China also accepts it.

<sup>8</sup> The five principle of peaceful coexistence is adhered to five pillars of friendly and peaceful concept: Mutual respect for each other's territorial integrity and sovereignty; to abide by the mutual non-aggression; Non-interference in each other's internal affairs; Respect for mutual equality and to work for mutual benefit; and Peaceful co-existence.

<sup>9</sup>China, ideologically committed as a Communist state by late 1970s had a profound interest in championing revolutionary forces on a global scale. Therefore under the Peoples' Republic of China PRC under Mao Zedong took the militant position that there were only two camps in the world, the anti-imperialist democratic and the anti-democratic imperialist, that all countries must be in favour of either imperialism or socialism, and that "neutrality" was merely a camouflage.

Burmese Communist Party (BCP)<sup>10</sup>. The BCP was secretly declared illegal by the Myanmar government as it was operating under the communist ideologies which according to the government was illegitimate and against their rule of law.

China-Myanmar relations significantly between these periods remained very futile and were not restored until 1990s when the military government acquired power and clamped down on prodemocracy movements in the country; this act received severe criticism from western countries leading to economic embargo. As a consequence of isolation from the international community, Myanmar needed back up for its regime survival. At the same time, China demanded Myanmar's natural resources including energy and market for China-made products. China sought to fulfill the vacuum of Myanmar by providing some assistance (i.e. advanced modern military weapons system) as well as taking its economic role in Myanmar. Consequently, relations between Beijing and Yangon significantly improved since then (Yi 2013:8). Henceforth Myanmar became China's closest ally in South-east Asia, a major recipient of Chinese military hardware, upgrading Myanmar's infrastructure, including its badly maintained roads and railways. Apart from becoming a recipient of Chinese military hardware, Myanmar was also flooded with cheap Chinese consumer goods, Precious stones, timber and other raw materials.

Apparently, both geo-economic and geo-strategic calculations lie behind China's long march into Myanmar. Many observers of Myanmar and China strategic studies have attributed several motives behind China's desire to expand its economic and strategic influence down to the Bay of Bengal. A major one, of course, is the desire by Chinese economic planners to open the old Burma Road to link up the poorer, inland provinces such as Yunnan, which have lagged behind the booming coastal provinces, with the fast growing economies of Southeast and South Asia (Malik 1997:57).

In addition to the development and construction opportunities, Beijing seeks stability along its border with Myanmar in order to preserve its own domestic stability and to control the flow of refugees, the spread of health problems, and trade of legal and illegal

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<sup>10</sup> The BCP party was formed after a radical group broke away from the Communist Party of Burma in 1946. In the same year, it began a protracted armed insurgency; first against British rule, then against the Burmese state. The party was led by Thakin Soe, a firebrand communist leader.

goods. Beijing still sees in Myanmar ten and thousands of armed militants who occupy and rule over distinct territories and not abiding by the central authority. Building its own nation is the top priority for the government of Myanmar and Beijing likes to see a stable, developing and reconciled Myanmar. China supports the efforts by the Myanmar government to advance the domestic political system, safeguard national stability, and improve the people's well-being (Chenyang 2010:117). China gives equal importance to the political development, national reconciliation and nation building prospects of Myanmar as they do with the strategic calculations. The futility over nation building prospects of Myanmar gives a bad shape to the bilateral relations as most of China's actions vis-à-vis Myanmar grow out of these ambitions. For example, the highways and pipelines that would connect southern China to the Indian Ocean will need to pass through Myanmar's restive Northern provinces. Beijing values the stability as important aspects in its foreign policy stance and has driven China to be more active in negotiations to stabilize those regions, while also building relationships with the local ethnic minorities themselves in case a separate agreement needs to be reached in the future. This is done carefully keep in mind that potential destabilizing effects of Myanmar's nation building could bleed over into China and frustrate its strategic ambitions.

But within the context of this relationship, Myanmar has skillfully played the China card and enjoys considerable space in her conduct of foreign relations, despite being in asymmetric relations with Beijing. The Beijing interest had correspondingly brought an added advantage to Myanmar whereby altering its domestic stability and foreign relations. It uses China for its economic investment, political support in the international community, and most importantly as leverage when negotiating with other regional or international companies on resource exploitation (Tea 2010:15).

Despite the robust levels of engagement and cooperation that China has established with Myanmar, these efforts have failed to bring it fully into China's strategic orbit. Indeed, Myanmar's military leaders, as well as some leaders of the various ethnic and political rebellions, annoys at the idea of Chinese dominance and economic assistance. Some scholars claims that China has been overly assertive in inserting itself into domestic peace-building and reconciliation efforts, with some even speculating that China has been

quietly promoting ethnic unrest in order to justify its involvement and keep Myanmar off balance (ibid:79). On the positive note if we keep the resentments and challenges aside, China remains one of the most important partners of Myanmar. With its size and proximity combining with economic and political power it becomes tough for Myanmar to move away from this beneficial relation. This bilateral relation brought a significant profits and benefits to Myanmar. It does not matter whether China's expansion is dictated by economic or by strategic interests. What matters is China's economic assistance brought a significant and positive engagement in the Pauk-Phaw relations.

### **Survey of Literature**

My focus is on the internal conflicts of Myanmar and the consequences of these conflicts in the border region especially in Kachin and Shan states and the China Interest in a larger context. A number of literatures have been reviewed in order to find out the knowledgeable gap on the theme under discussion.

The study is divided into two themes, the Myanmar's ethnic problem and Chinese interest towards Myanmar.

In Paul Kennan book, *Discrimination, Conflict and Corruption: the Ethnic States of Burma* he clearly describes the political background to the ethnic struggle and conflicts. It also clearly explains the division of the nation under two distinct entities i.e. ministerial Burma under direct control of the British and the frontiers area which granted authority to the Chin, Karenni, Kachin and Shan (as the Federated Shan States) to maintain their feudal administration have been mentioned. Lex Rieffel's book on *Myanmar/ Burma: Inside Challenges, Outside Interests* explores the major factor in the internal problem of Myanmar. It also points to the fact that the root of Myanmar internal conflicts is the brutal and repressive authority of military and its divide and rule policy. It thoroughly illustrates that Myanmar had the distinction of having the longest civil war which began in 1948 when the country gained independence and the end is not yet in sight.

It is also stated in the article “The Dynamics of Sixty Years of Ethnic Armed Conflict in Burma” that the Union of Burma was founded by pre-colonial independent peoples, namely the Chin, Kachin, Shan, and other peoples from what was termed Burma Proper, who in principle had the rights to regain their national independence from Great Britain separately and found their own respective nation-states. However the federal union as envisaged to them was not met instead it became a quasi-federal union with a strong connotation of a unitary state where a single ethnic group called the Burman/Myanmar people controlled all state powers and governing systems of a multi-ethnic plural society of the Union of Burma which became the root cause of ethnic equality and political grievances. The articles “Insurgency in amber: ethnic opposition groups” and “The Dynamics of Sixty Years of Ethnic Armed Conflict in Burma” discuss that the multiple ethnic insurgencies have existed in Myanmar since independence. The military junta’s response to these ethnic insurgencies has been extremely brutal at the tactical level, but has shown some political astuteness at the strategic level, with a series of ceasefires with most of the ethnic groups. Despite these ceasefires; most of which have resulted in the continued existence of quasi-independent armed groups – other ethnic movements have continued their armed operations.

The inability of meaningful dialogue between central government and the frontiers area as mentioned in “The Kachin Crisis: Peace Must Prevail” has led to the series of clashes followed by volatility and strife between them. In the article “A Tentative Peace in Myanmar’s Kachin Conflict”, it says that the Kachin and the Shan conflicts are amongst the most protracted of Burma ethnic wars. Resistance to central government rule has continued through all political eras since independence. They became the leading voices for dialogue and national unity to bring opposing parties in the country together. Likewise the northern Burma particularly Kachin and Shan state have been greatly anticipating equality, freedom and the discontinuity from civil war. “Politics in the Shan State: The Question of Secession from the Union of Burma” talks the ideal ground for Shan state to acquire freedom but have been continuously curtailed by the repressive regime of central government.

On the other side Myanmar being at the strategic location in South East Asia tends to attract a huge significance towards China both in Geopolitical and Geo Economic sense. Bertil Linlater's book *Great Game East: India, China and the Struggle for Asia's Most Volatile Frontier*, shows the significance of the Region and the greater interest of China to uphold its dominant status in the region. At this juncture he says that the region is a wide contestation for the India and China in term of its larger geo strategic significance.

Aung Moye's book *In The Name Of Pauk-Phaw: Myanmar's China Policy since 1948*, provide the greater insight to the relation between China and Myanmar since it gained its independence in 1948. The larger study of historical, political and diplomatic relation between them is explained in a very clear manner.

In the Poon Kim Shee article "the political economy of China Myanmar relations: strategic and economic dimensions" she explains that China is in line with its general policy of ensuring a stable external environment with the neighbouring states so that Beijing can continue to implement its domestic modernization and development policy. Shee also expressed that... 'in the geo-economic dimension, Myanmar is important for China in the context of being a 'land bridge' for China to revive its 'southwest silk road' from Yunnan province to Myanmar and westward to Bangladesh, India and the West.

Ian Holliday's article "Beijing and the Myanmar problem" expressed that China's regional problems and prominent among many Asian issues on Beijing's agenda is its south-western neighbor, Myanmar, and in particular the military machine that has long ruled the country with an iron fist. In the article the argument pulled together in the conclusion is that while nobody has a full solution to the Myanmar problem, a case for enhancement of China's role can be grounded not only in its global obligations, but also in precepts found deep in its national tradition. Beijing is desperate to keep Myanmar away from the influence of the west and as the Washington grows increasingly wary about the Myanmar's ethnic conflicts Yun sun in her article 'China's Intervention in the Myanmar- Kachin Peace Talks' says that China is therefore tend to pose a new significance in its relations with Myanmar by playing an instrumental role in arranging the latest round of dialogues between the ethnic minority and Myanmar government.

## **Scope of the Study**

The proposed study focuses on the internal problems of Myanmar with special focus on the Kachin and the Shan states and its impact on the greater interest of China towards Myanmar. The scope of my paper is limited to explaining the internal dynamics of Myanmar explaining the interplay of politics and ethnicity that have made a major setback in ultimately achieving lasting peace, justice, reconciliation and equitable development in Burma. It also limits in explaining that Beijing has a strategic alignment and geographical interest in the region over wide natural resources and for the maintenance of stability along the frontiers area that borders with the ethnic groups of Myanmar. It will also point to the fact that the internal conflicts in Myanmar and particularly in the border regions alongside China have greatly affected the larger interest of China. These border region states of Kachin and the Shan have a huge economic stake of Beijing and the frequent clashes between the military and the ethnic have tended to create a great problematic issue within the boundary of their kinsfolk relations.

## **Objectives**

- To understand the dynamic of conflicts in Kachin and Shan states of Myanmar.
- To analyse Myanmar's internal conflict in the border states of Kachin and Shan and the challenges in Beijing's interest towards Myanmar.

## **Research Questions**

- How is the state responding to the internal conflicts in the Kachin and Shan states?
- How the ethnic conflicts in Kachin and Shan states do affect the Chinese interests vis-à-vis Myanmar?

## **Methodology**

Historical method will be used in order to understand the background to the ethnic problem of Myanmar and also to understand the Sino-Myanmar relations. The proposed study shall also be exploratory and identify the linkages between the internal problems in Myanmar particularly in the border states of Kachin and Shan and China's larger interest



towards Myanmar. The study uses both primary and secondary sources. The interplay between ethnicity, external factors and foreign relations shall be given emphasis to better understand the proposed study. Resources, both primary and secondary shall be extensively used for the study. The study is organised into five chapters including the introduction and conclusion. The introductory chapter besides giving the general framework of the study also focuses on the ethnic problem in Myanmar and how this is linked with both the colonial and post colonial state building process in Myanmar. The chapter also touches on China's interest in Myanmar. The second chapter extensively deals with the ethnic problems in the border states of Kachin and the Shan states. The third chapter discusses the state responses to this problem while the fourth chapter focuses on China's interest in Myanmar has been affected by the internal problem within Myanmar, particularly in the border regions. The conclusion sums up the study by assessing the objectives of the proposed study.

## **CHAPTER-II**

### **MYANMAR'S INTERNAL PROBLEM IN KACHIN AND SHAN STATES**

Myanmar is one of the world's most ethnically diverse countries, with ethnic minorities comprising over one third of the population and half of the land. Since independence from British in 1948, various ethnic minority groups or the ethnic non-Burman have launched armed struggle against the majority, ethnic Burman dominated rule. Grievances over political discrimination, discontentment over policy neglect, suppression of basic human rights and economic disparity fueled the onset of the conflicts resulting in one of the longest civil war ever since nation gained its independence.

Myanmar comprises more than 135 different ethnic groups, each with its own history, culture and language. The majority ethnic Burman group makes up about two-third of the population and controls the government. The minority ethnic nationalities, making up the remaining one-third, live mainly in the resource-rich border areas and hills of Myanmar. Each of the states draws its name from the dominant ethnic national groups in its area like Kachin, Shan, Karen, Mon, Arakan, and Chin. Despite such great diversity, the post independence government of Myanmar had practiced centralized administration thus alienating the ethnic groups leading to ethnic conflicts.

The greater diversity in Myanmar goes back over a thousand years, with kings, princes, and chiefs of different ethnics groups consistently battle for control over lands and the right to collect taxes. The British colonial rule (1824-1948) further exacerbated the ethnic division by creating the two separate administrative divisions. The first was the Burma proper where Burmans predominated and was administered by direct rule; the other was the Frontiers Areas where the ethnic non-Burman were concentrated and were given the right to retain their traditional leadership, though under British supervision. This administrative division brought a general feeling of hatred and discontentment amongst the minority ethnic groups bringing tension that led to building a strain relationship between the British and the ethnic nationalities.

The failure of the British to restructure Burma and control Burman nationalist demonstration<sup>1</sup> paved its way for the British to grant independence to Burma in the early 1948 on the condition that the ethnic minority groups could freely choose their independence: whether to join Burma or remain as an independent state. Moreover the Burman leaders led by Aung San met the ethnic non-Burman groups at Panglong in 1947 and agreed to form a federal union, giving full autonomy to the frontiers areas and exclusive rights to Shan and Karenni states to secede after 10 years. The 1947 Panglong Conference was organized by the pre-colonial independent peoples and nations, who in principles had the right to regain their independence separately from the Great Britain and to form their own respective nation-states, or to remain as a British Colony, or to collectively reclaim their independence and form a new nation-state together.

With the death of Aung San, who earned the trust of both Burman and ethnic non-Burman, the country plunged into civil war as the government thereafter failed to maintain the spirit of the Panglong Agreement. The government's strong rhetoric and increasing centralization and Burmanization<sup>2</sup> policy consequently led to the escalation of civil wars. The major problem between ethnic minorities and the central government was that the former wanted more political and economic rights and benefits from the union than the latter could provide. The ethnic groups have called for a genuine federal union based upon the principles of equality for all of the country's citizens. This remains as a motivating factor amongst the ethnic minority groups behind the continuation of armed struggle, as government have refused to concede to the political grievances of the ethnic groups. The government has compelled a fearsome attitude in the mindset of the ethnic minority who are dreaming for greater freedom and equality. The successive military government rejected ethnic demands for autonomy and offered no political concessions.

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<sup>1</sup> The Burman nationalist demonstration was the agitation and the resentment of the people of Burma to regain their independence from British colony. The movement was led by Aung San setting up a volunteer organization to fight against the British.

<sup>2</sup> Burmanization refers to a carefully crafted set of government policy whose goals are a future union of Myanmar where one of the diverse ethnic nations will become a complete homogenized one, assimilating all the ethnic national minorities into the dominant ethnic Burman groups which would result in the loss of their cultures and ethnic national identities.

While the ethnic conflicts have become the dominating factor among the ethnic problems wide-scale discrimination against ethnic groups, prevalent corruption, and human rights abuses added further misery in the ongoing internal conflicts. The Governments pursued only a military solution to what is primarily a political problem, and have consequently given ethnic groups no other option but to engage in armed struggle.

Following the course of my discussion, I will take Kachin and Shan states as a case to understand the widening ethnic conflicts, the discrimination and the problems faced by these groups in their demand for equality and freedom.

## **KACHIN STATE**

Kachin State, located in the northern most part, is one of the states of Myanmar. The state has common boundaries with the People's Republic of China in the East and North-East and India on the West. It adjoins Sagaing Division on the West and Shan State on the South. The Kachin in Myanmar are estimated to number between 1 to 1.5 million and are traditionally hill dwellers subsisting on rotational cultivation of hill rice. The Kachin encompasses a number of ethnic groups speaking almost a dozen distinct languages belonging to the Tibeto-Burman linguistic family. The term Kachin is used to refer specifically to the largest of the groups (the Kachin or Jingpho/Jinghpaw) who are the main ethnic tribe along with other ethnic groups including the Rawang, Lisu, Zaiwa, Lawngwaw, Lachik, Shan and a small number of Tibetans. The Kachin, as well as the Chin, are one of Myanmar's largest Christian minorities: generally between two-thirds and 90 per cent of Kachin are Christians, with others following animist practices of Buddhists.

### **Kachin: Historical Context**

It is generally thought that the Kachin gradually moved South from their ancestral land in the Tibetan plateau through Yunnan in Southern China to the Northern borderland of what would become Burma sometime during the fifteenth or sixteenth centuries, making the Kachin a relative newcomer (<http://www.minorityrights.org/4490/myanmarburma/kachin.html> accessed on 03/12/2014). Their position in the borderland meant that they were often outside of the sphere of

influence of Burman kings and as a result lived as a buffer zone between the Burmese and the Chinese Kingdom. As a new comer they had off and on relationship with the Burmese king as they were continuously attacked but they remained as invincible forces since the Kachin were aggressive mercenaries adaptable and well trained to high terrain condition. Moreover they never had been subjected to any people, neither Chinese nor Burmese. The British were the first who conquered the Kachin people when they annexed upper part of Burma in 1885. Before that the territory of Kachin State never came under direct British administration, nor had they been directly under the authority of the Burman (Myanmar) court. It was the introduction of the Kachin Hill Tribes Regulation Acts 1895<sup>3</sup> that brought Kachin under British orbit of regulation and was specially administered as a frontier region. The British Burma and the Burmese Kingdom were quite different things. The kingdom of the Burmese kings was very limited—they could not rule the whole of Kachin State, Wa State, Karenni State and the others—they just ruled central Burma. So the British conquered all these places because they wanted to make a fence for the Indian sub-continent. The British rule completely transformed the society in Burma, bringing several enduring social, economic and cultural changes to the country. They built two separate systems of administration; ‘Ministerial Burma’ or ‘Burma Proper’, dominated by the Burman majority, and the ‘Frontier Areas’, populated mainly by ethnic nationalities. Much to the resentment of the Burman majority, the Frontier Areas were for the most part left under the control of traditional rulers and chiefs. This strict division set the different groups in Burma on separate roads towards political and economic development, exacerbated the ethnic cultural differences, and widened the pre-existing cleavages among the myriad ethnic groups. The division of Burma into two main administrative areas by the British brought a cleavage in the relations between the majority Burman and ethnic nationalities, and the divide and rule policy of the British had far-reaching consequences for Burma’s future.

The British tended to trust the highlanders (ethnic nationalities) and recruited them into their army whilst excluding the Burmese. The Kachin with conjunction of few hill people helped the Allied Forces to fight Japanese occupation who were assisted by the Burmese

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<sup>3</sup> Through Kachin Hill Tribes Regulation Acts of 1895, British decided for a separate administration for the Kachin and Chin state respectively.

Liberation Army, led by Aung San. Aung San and his 30 Burmese youths known as '30 Comrades'<sup>4</sup> were trained by the Japanese who secretly promised to help Burma recover its freedom from the British. This indifference in support and loyalty of the ethnic minorities including Kachin towards the Allied Forces consequently killed many Kachin people by the Burmese Independence Army (BIA) because they accused them of being the stooges of foreign imperialism. The war years thus played an important role in after-war hostility between the Burmese army and ethnic opposition group. The immediate realization that Japanese had no serious intention of granting them true independence made Aung San and his groups to switch loyalties and helped the Allies to expel the Japanese.

After the war, the Burmese, with General Aung San at the helm, demanded complete political and economic independence from Britain, although a resistance movement soon sprang up. Realizing that that Burma would soon gain independence from the British, and that the ethnic minorities in the frontier areas faced a real risk of remaining a British dominion since the hill tracts were deemed backward and not yet ready for self-determination, representatives from the Shan, Kachin, Chin and Karen engaged in series of negotiations to discuss their future after independence. A significant breakthrough came when in 1947 the Panglong Agreement was signed between the Shan, Kachin and Chin leaders, and Aung San. The agreement included a 'Principle of Equality' between Burmans and ethnic non-Burman nationalities. The Kachin participated in and signed the Panglong agreement and in return they received in-principle approval for the creation of a separate Kachin State (Discrimination, Conflict, and Corruption - The Ethnic States of Burma: 22).

### **The Panglong Agreement of 1947**

The 1947 was a remarkable year for the Kachin people. It was because they themselves made a historic decision for their future course of political freedom. It was the time when Kachins were found in the mood of highest political enthusiasm. The Kachin leaders met

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<sup>4</sup> The thirty comrades constituted the embryo of the Burmese army called Burmese Independence Army which was formed to fight for independence from Britain. It constituted of small groups of Burmese youth who left Burma secretly to obtain military training to fight the British in the struggle for independence.

and wrote down the political agenda to be presented to General Aung San. The memorandum led by Kachin comprises of the following points:

1. To attain independence together with the Burmans.
2. To set up Kachin State after attainment of freedom from British.
3. To form a democratic federal union of all states and divisions, representing both ethnic minorities and Burman respectively.
4. To include Myitkyina and Manmaw districts in the new Kachin State; this issue must be decided after consultation between Kachins and Burmans.
5. To transfer all rights and duties to the State Government.
6. To appoint the head of Kachin State as one of the ministers of the Union Government; that Kachin minister must have full executive responsibilities for the state concern.
7. To allot the representatives of both Kachins and Shans to participate in the Union Constitution Drafting Committee.

This memorandum was presented to General Aung San (chairman of AFPFL) who had earlier met the leaders of the Kachin chiefs over his political agenda for Burma Independence. Aung San and the Kachins freely exchanged their views on the struggles for national independence. It was the moment when the Kachins decided to put their complete trust in General Aung San and pledged their full support and cooperation for independence.

In 1946 Aung San negotiated for Burma's independence with the British. The British Government promised him the granting of independence to Burmans but not to include the hill people who were to be trained under Dominion status rule. Therefore, Gen Aung San called for a conference of all nationalities (a sort of National Convention) to seek the consensus of the hill tribes such as Shans, Kachins, Kayin, Kayah and Chins. The political consciousnesses to unite all among the Frontiers Area led to formation of a consultative body called the Supreme Council of United Hill Peoples (SCOUHP) and they unanimously adopted the Kachin-Shan Memorandum.

The adoption of the Kachin and Shan memorandum brought the Frontier Areas united under one umbrella and after a series of meetings and serious consultations between Aung San and the SCOUHP delegates, the unanimous agreement called the Panglong Agreement was signed on 12<sup>th</sup> February 1947. Under the Panglong Agreement the important excerpt that came out was that all the federating states of Kachin, Shan, Chin, Kayin and Kayah agreed to establish a genuine Federal Union of Burma, with the states enjoying full and fundamental democratic rights and self-determination privileges. The agreement also confers to set up a Kachin State within the Union with the border of the federating state to be negotiated in Constitution Assembly. In short, Panglong Agreement was materialized on the basis of the Kachin leaders' first memorandum which was approved by other hill peoples. It was in fact the true foundation of the Federal Union of Burma which regained its national sovereignty and became an independent state among the family of nations. In addition to the signing of the Panglong Agreement, the Frontier Areas Enquiry Committee was also formed under the Aung San-Atlee Agreement to enquire about the opinion and wishes of the hill peoples with regards to their political relationship with the Burmans. The representatives from the hill tribes represented their positive view firmly attested to the memorandum already approved by the SCOUHP during the previous consultation. They gave their views on genuine federalism, self-determination and self-administration for the federating states, including the Kachins and Shans. On 4th January, 1948 Union of Burma was formed comprising of Kachins, Shan, Kayin, Kayah, and Chin special division of federating states, six days later of that year, 10<sup>th</sup> January 1948, Kachin state also came into existence.

The Panglong Conference, held in February, 1947, proved to be a significant event in amalgamating various ethnic groups particularly the Burman majority and the ethnic non Burman nationalities. The national leaders of both the Burman majority and ethnic nationalities of Burma committed themselves, for the first time to achieve the country's national sovereignty through the pure spirit of national unity, equality and fraternity. But this amalgamation process encountered a setback with the assassination of general Aung San and his associates. The successive government under U Nu and military dictators overtly and covertly denied the validity and implementation of Panglong Agreement. The government approved the unity of the nation as more important and challenged the



federating principle of the Panglong Agreement by discouraging the equal treatment conferred on the ethnic nationalities of the frontiers area as against the majority Burman.

The Kachins held fast to the view that the terms concluded out by their leaders with independence hero General Aung San at Panglong in 1947, serve as the only viable road map to a just and lasting peace. In the aftermath of general Aung San the ethnic signatories discovered to their dismay a long way to go before enjoying the pledged equal rights, even under a parliamentary democracy system that lasted for more than a decade. They felt as if they had been left holding a bounced check. The Kachins' clamor for equality and their anger was borne out of anguish and frustration over the unfulfilled promises of equality and autonomy pledged at Panglong Agreement.

### **Burmanization and formation of Kachin Independence Organization/Kachin Independence Army (KIO/KIA)**

The Panglong Agreement of 1947 which was signed on the principles of voluntary association, political equality, and the right of self-government in their respective homelands through the right to internal self-determination, which they hoped to implement through a decentralized federal structure of the Union of Myanmar brought further languishment and frustration to the ethnic non-Burman nationalities. Myanmar failed to become a federal union as it was envisaged at the Panglong Conference of 1947. Instead, it became a quasi-federal union with a strong connotation of a unitary state where a single ethnic group called the Burman/Myanmar people controlled all state powers and governing systems of a multi-ethnic plural society of the Union of Myanmar.

The parliamentary democratic government under U Nu took the responsibility to lead the nation after the horrific assassination of Aung San (friend of U Nu who together formed the thirty comrades). With taking charge as the first Prime Minister of the Independent Burma, the road was not a clear one as he expected. U Nu turned out as an inept leader who lacked the skill and experience to his former colleague, Aung San. During his early electoral success, U Nu met with troubling turmoil which was brewing in Burma. Multiple problems including the issues of federalism, the ethnic civil war alongside the

armed rebellion of various ethnic groups, White Flag and Red Flag communist factions was gaining momentum at the time of independence.

The new government practically constituted territory for at least on the unitary political system alienating multiple ethnic groups who began to feel uneasy in the Burman-dominated political system. The alienated ethnic nationalities of the Kachin clamored for more autonomy within the union. The government limited the citizenship rights to people belonging to any of Burma's indigenous groups or with ancestors born in Myanmar and inhabiting Burmese territory.

On the religion line, U Nu reversed Aung San's policy after the latter was assassinated. Although Aung San had opted for a secular state with a strong emphasis on pluralism and the policy of unity in diversity in which all different religious and racial groups in the Union could live together peacefully and harmoniously, U Nu opted for a more confessional and exclusive policy on religion by applying cultural and religious assimilation as the core of the nation-building process. This revision brought an end to Aung San dream of secular and pluralism in the nation, instead led to the promulgation of Buddhism as the state religion of the Union of Burma in 1961 (Sakhong 2012:5). The ethnic nationalities including Kachins approved its dissatisfaction over the promulgation of Buddhism as a state religion as it was against the Panglong Agreement in which Aung San and the leaders of the ethnic nationalities agreed to form a Union based on the principle of equality. The Kachin saw the proposal for Buddhism to be the state religion as an evidence of the Burmanization of the country which they had to prevent by any means, including an armed rebellion (ibid:6)

The U Nu government failed to confer rights promised to the Kachin people in the Panglong Agreement and it eventually led to the founding of the Kachin Independence Organization (KIO) and Kachin Independence Army (KIA) in 1961. The groups was formed to serve and protect the interest of the Kachin people against the central government's decision to take over all authority in Kachin State and against replacing Kachin language and history classes with Burmese lessons, and declaring Buddhism as the state religion.

The Kachin Independence Organization (KIO) is a political organization composed mainly of ethnic Kachin (Jingphaw) and controlled the entire state of Kachin until 1990s ceasefire agreement with the government. The KIO maintains an extralegal bureaucracy in the state and run the entire administration by collecting taxes and involving in various deal throughout the state. The political motive behind the formation of KIO was to maintain and run the state and creates consciousness amongst the people for the rights and equality that remained curtailed after independence. The KIO generally engage in keeping and maintaining the resources available in fighting against the government although they never engage in direct military contact. The Kachin Independence Army (KIA) a military wing is the military outfit that is fully funded by the KIO, and remains directly engaged with the government for their independence and for autonomy within a federal union of Burma.

Taking advantage of U Nu's prescription of Buddhism as State's religion in 1961 and demonstration against the announcement upon inclusion of Phimaw, Gawlan and Kanphan regions into China in the borderline treaty of China-Burma, and demanding the Federal Policy from Shan Monarchy, the KIO lost the independence reverence, protested against the government (Revolutionary Council) and demanded:

- a) To give rights to own rules and freedom to respective ethnic groups.
- b) To establish sovereignty, the main aim of the armed revolution of Kachin public.

The peace talk failed and for which the military wing Kachin Independence Army (KIA) was formed and took up arms and ammunition with heart and soul and fought for their objective in securing peace and equality of the people of Kachins. It's strength developed and with time and years it grew into one of the largest resistance force and still remains fighting for their independence rights with some level of autonomy within the Myanmar government (Myint-U 2011:95).

### **The role of Tatmadaw and Ceasefires**

The Tatmadaw (Myanmar armed force) of Myanmar has its root in the Burmese Independence Army (BIA) that was formed by Aung San with the help of Japanese

during the colonial period to drive the British out of Burma. At the time of Myanmar's independence in 1948, the Tatmadaw was weak, small and factionalized. Factions and cracks appeared within the BIA on the line of ethnic backgrounds, political affiliation and organizational origin. This decimated the military for the initial years of independence. The ethnic division as well as the ideological biasness and power distribution made cooperation further problematic. The result of such faction was that the military of the initial years of freedom was generally dominated by small groups' militias comprising of the ethnic nationalities organized by the party leaders. The military transformed itself during the late 1940s and the 1950s from groups of guerilla bands into professional forces that seized power in 1962. The new forces were more skilled and trained edging out all other state and social institutions in the competition for national power. The expanding clout of the military was a result of the decade long struggle over how power would be constituted, by whom and how after the failure of the post independence parliamentary government to grant right and independence to the people. Furthermore the external threat from the Kuomintang Troops (KMT)<sup>5</sup> helped the military to push for development and expansion. Slowly and steadily the military brought law and order in the country that was completely jeopardized by the domestic wooing of the ethnic nationalities for their inscribed rights and equality. The citizen saw the military as the only way to gain access to the state and hence the military was prescribed as a middleman role to the continuing peace on Myanmar.

Following Ne Win coup in 1962, the Tatmadaw began an extensive expansion and improvement and set the stage for military dominance in the political affairs of the nation. The military coup, brought alongside a strategy to keep the nation united and condemned the internal threat to state security by force assimilation and political persuasion. At the initial phase of military introduction to the Burmese people they had faith in them who promised to restore the fragile and factionalized state. The military solution was thought to be far better and compatible than the political parties' decision to bring peace and harmony amongst the ethnic groups and domestic stability in the nation.

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<sup>5</sup> At the beginning of the 1950s, while Tatmadaw was able to reassert its control over most part of the country, Kuomintang (KMT) troops under General Li Mai, with support from United States, invaded Burma and used the country's frontier as a springboard for attack against People's Republic of China, which in turn became the external threat to state security and sovereignty of Burma.

But the gradual expansion and submission of military rule particularly after the coup of 1962 brought significant threat to individual liberty and freedom. The endemic conflict between the majority Burman government and the ethnic minorities' began to upsurge and threatened the gradual progress of Myanmar. Insurgencies emerged from both the political and ethnic factions. Separatist tendencies toward an independent 'ethnic nation' with its distinctive 'identity' led to armed rebellion by all major ethnic groups and proliferated throughout the Myanmar countryside. By the late 1980s, virtually all the ethnic insurgencies had shifted their primary objective from secession and independence to 'self-determination' and greater 'autonomy' (Maung Than 2013). The Tatmadaw didn't have a clear strategy to cope with the ethnic insurgents although most of Tatmadaw were themselves guerilla fighters during the anti-British and Japanese campaign. In order to contain the growing ethnic insurgents from getting worse, Tatmadaw developed an appropriate military doctrine and strategy as a counterinsurgency to suppress the growing insurgencies. The development was the reflection of sensitivity towards direct foreign invasion or invasion by proxy state during the turbulent years of the late 1980s and early 1990s and Tatmadaw leadership was concerned that foreign powers might arm the insurgents on the border to exploit the political situation and tensions in the country. Under such condition the Tatmadaw attempted to establish peace with the ethnic insurgents. Following the 1988 military coup, the State Law and Order Restoration Council (SLORC) in the 1990s initiated the policy of ceasefires.

The ceasefires were a policy and an initiative from the Tatmadaw to contain the ethnic insurgents by creating tentative truce. Ethnic conflict had plagued the country since independence, and had proven impossible to end by brute force alone, so a new approach was adopted. The winning formula was premised on three points: the right to remain armed; the right to administer their own demarcated territory; and to conduct cross-border commercial activities (ibid).

During the period from independence to civilian and to the military rule many peace talks took place. However, most of this peace talks failed because the ethnic insurgent felt that they were being forced to surrender as a condition of negotiation. In addition the

successive military government rejected the ethnic demands for autonomy and offered no political concession. The ethnic groups held in reserve their hopes, their right and equality status according to the Panglong Agreement in the initial phase of independence. But the gradual militarization and authoritarian rule under successive military government brought danger and threats to ethnic rights and self-determination as the Tatmadaw began to rule the ethnic states by force. The Kachin formed the Kachin Independence Organisation (KIO) and initiated its armed resistance under Kachin Independence Army (KIA) over the growing frustration over equality and discrimination including the U Nu government's attempts to make Buddhism as the state religion. In addition the KIA extended its alliance with the Communist Party of Burma (CPB) in 1976 and the joined forces fought against the Burmese army with CPB became a ready source of weapons and ammunition for the KIA from China. The initial peace talks with the government failed to bring KIO to level terms as the political perspective were too far apart and the groups demanded self determination based on the Panglong Agreement. The government was against the federal system which it feared could break up the unity of the nation. Thus a strong rhetoric on both side led to wide escalation of the civil war. The military government under Ne Win during 1980-81 got the initial success in negotiating a peace truce with the KIO in Myitikyina, capital of Kachin state where the government offered support to rehabilitate the KIA troops. But the ceasefires did not last long as the government refused to consider its political concessions. The KIO demanded for autonomy for the Kachin state under one party system but the government rejected it on the notion that for this it would need to change the constitution through referendum. Instead the government insisted the KIO to make peace in the state and discuss the question of autonomy later (Oo and Min 2007:10). The temporary peace truce was very futile and harassing to KIO in every sections of agreement. Though KIO agreed to the truce after much consultation it regarded the importance of political concession far more important than peace. The KIO regarded all peace talks as procedural and insisted the government to talk on political development before making any peace.

The successive government, State, Law Order and Restoration Council (SLORC) that took power in 1988 initiated the ceasefires talks with the ethnic insurgents. Unlike before the ceasefires under the SLORC allowed the ethnic armed groups to continue their

activities, hold arms and maintain territory until the new constitution was formed. Furthermore it guaranteed local development assistance and economic activities in exchange for giving up the armed struggle. There remains much subtle reason behind the KIO agreeing on the ceasefires. One reading says that the new ceasefires were much better sound and garnered better deal and the other reading points to the grass root pressure that partly drove them into ceasefires. The traditional community leaders and the Kachin Baptist Church (KBC) had a commanding influence over the community and acted as a go-between for the initial confidence building talks and the signing of ceasefires. In addition the government took the advantage of this grass root pressure and more over the growing wedge that was emerging between the CPB's ideologues and ethnic commanders.

When the CPB disbanded in 1989, KIA lost their principal weapons provider at the time, and KIO and Tatmadaw subsequently negotiated a formal ceasefire in 1993 and 1994. Some extract from the ceasefires negotiation between KIO and SLORC includes:

- 1) Stop fighting and give up the armed struggle between the KIO and SLORC.
- 2) Keep control of the existing territories.
- 3) Open liaison offices.
- 4) Inform each other beforehand for travelling into the other's areas.
- 5) Implement local development projects.
- 6) Both sides will undertake efforts to achieve a nationwide ceasefire.
- 7) Once the situation has improved, the next step is to try to fins political situation which includes establishing a constitution.

KIO leaders finally agreed ceasefires in February 1994. Under the ceasefires, the KIO were granted political autonomy over a special region in Kachin State. The agreement also called for a range of political, economic, and legal ties between the Tatmadaw and Kachin authorities, including a dramatic increase in the exploitation of natural resources, as well as enabling some humanitarian assistance and development in the area.

Although the ceasefire brought some level of autonomy and control in the ethnic states including Kachin but overall it was just a policy of Tatmadaw to contain the ethnic insurgents and rebel groups, a temporary truce to suspend the fighting and preserve the status quo with the ethnic groups. The ceasefires brought more added advantage to the government than any other groups. The agreement not only contained the uprising of the ethnic voices but also ended the significant threat from CPB. The ceasefires freed up the military forces previously engaged in the central Myanmar, redeploying them in the ethnic areas and to the borderlands. The ceasefires even brought enormous income to the military forces through the border trade which had previously remained controlled by the armed insurgent.

The worst sufferer were the KIO who had to make a major strategic concession by agreeing to military ceasefires as they had limited option; either to fight against the Tatmadaw or enjoy the autonomy control over their land garnered by ceasefires agreement. On the contrary the ceasefires did not guarantee greater autonomy but instead contained administrative, military and political restriction against the ethnic armies. It also restricted the KIO from recruiting new soldiers and the groups were required to submit reports on troops and weapons in exchange for food and living assistance. Overall the ceasefires which were signed by KIO failed to bring a peaceful settlement to the relation. The Tatmadaw remains uninterested in finding a political solution to the problem. They wanted to find long-lasting and durable solutions to the ethnic oppression in the country.

Amidst such gross and illegitimate restriction imposed under the ceasefires, the KIO appeared determined to stick to a fighting mode. It even managed to create a strong political identity among the different subgroups of Kachin to fight for greater autonomy from the central governance of Myanmar. It was only in 2011 that 17-year long ceasefire between the two sides collapsed following efforts by the government to incorporate numerous armed ethnic groups into a single border guard force. The breakdown of a 17-year old ceasefire, fighting erupted in June 2011 between the KIA and the Tatmadaw. The breakdown happened after the government pressed the KIA to accept a process that either merges the KIA with the army or disarms its fighters. Since then confidence-



building remains the key to a genuine ceasefire in Kachin and the hope to establish a federal state in Myanmar. Tatmadaw is attempting to bring the KIA into negotiations by pursuing a policy of applying maximum force, mobilizing its divisions in the rebel stronghold and to bring them under negotiation for another ceasefire. The KIO this time remains more skeptical about the strategy and policies of the Tatmadaw and significantly more focus on its political concession than the general peace which had brought nothing but heavy casualties.

## **SHAN STATE**

In the northeastern part of Myanmar bordered with Kayah (Karen) state in the South, Thailand in the Southeast, Laos in the East, China in the Northeast and Kachin state in the North, the Tai/Shan lives in the area that is today's Shan state. The word "Shan" is actually a corruption of "Siam" or "Syam" and is the name given to them by the Burmese; the letter "m" becomes "n" as a final consonant in the Burmese language. The Shans call themselves "Dtai" (sometimes spelled "Dai" or "Tai") and they are related to the Thais and the Laotians (Lintner 1984:403) as their language and customs resembles to Thailand and Laos.

### **Shan State Prior to Independence**

The Shan State has always existed as an independent state throughout the history. It is the unitary successor state to the Burmese Shan States and formerly a princely state that was under some degree of control of the Irrawaddy valley-based Burmese kingdoms. Throughout the Burmese feudal era, despite being under the presence of Burmese kingdom in some of their principalities, the Shan state managed to retain their sovereignty and existed as an independent state. The Burmese conferred the independence to the Shan people as Shan states supplied much manpower in the service of Burmese kings during the Burmese reign. Without Shan manpower, the Burmese alone would not have been able to achieve their much vaunted victories. The Shan Sao Phas (Princedom)<sup>6</sup> ruled their territories and governed their own states independently. But

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<sup>6</sup> Royal title used by the rulers of the Shan state and are often taken to mean king and kingdom in Shan languages.

gradually the independence of the Shan state failed to bring unity and as such they were never effectively united. The Sao Phas involved themselves in the gradual expansion of their region<sup>7</sup> extending its territory to far and wide across mainland of Southeast Asia.

In 18-20 centuries, due to the British colonization and expansion to South and Southeast Asia, the political situation and fate of the Shan State gradually changed. The period saw Southeast Asia becoming an arena of competition between the two main colonial powers at that time; French and the British. In 1815-1818, the British occupied India and annexed Assam into India and further its expansion to Burma. Finally Burma was conquered by the British in the three Anglo-Burmese wars of 1824, 1852 and 1885, and was made a province of British India. Meanwhile the French extended their sphere of influence over Laos in the East. In between lie the wild and rugged Shan hills with an abundance of principalities and local rulers and thus to avoid the emergence of an uncontrollable buffer state between the two colonial powers, the British extended their Burmese conquest to the Shan States, which were pacified over the years 1885-90. In addition, British wanted to keep the French away from their domain and especially towards the other side of the Mekong as the trans-Burma trade routes to China passed through the North Eastern border areas of the Shan territory<sup>8</sup> and as such they don't want any interruption in their business routes. The British gave a greater importance to the Shan state by declaring it as a protectorate<sup>9</sup> while Burma became British colony. According to it, the British gave to the Shan as symbols of their authority over the peoples in their own territory and included the terms to which the chiefs were expected to conform. Moreover they neither introduced Western democratic ideas and institutions in the Shan state nor did they make any serious attempt to modify the almost absolute character of the chiefs. With time the

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<sup>7</sup> According to Shan chronicle it says that more than a thousand years ago two brothers, Khun lung and Khun Lai, descended from heaven and became the king of the little highland valleys. Their son became the chiefs of nearby principalities and their descendant became rulers of the vast regions from black river valley to North Vietnam to the Brahmaputra valley of Assam.

<sup>8</sup> The British had extended its trade relation with China from upper Burma and the Shan States. The two main trade routes to China were the "ambassador's road" from Bhamo (now in Kachin state) and the legendary "Burma Road" from Lashio in the northern Shan States to Kunming in Yunnan.

<sup>9</sup> According to it the British recognized the authority of the Shan princes, who enjoyed a status similar to that of the rulers of the Indian princely states. Each Saohpa was responsible for administration and law enforcement in his state; he had his own armed police force, administrative officers, magistrates and judges.

British created the Federated Shan States in 1922 giving Shan state a proper separate governing body to all the common principalities. This was called the Federated Shan States' Council and comprised of all the ruling princes and British governor dealing with such common concerns as peace and security, education, health, public works and building.

The sleepy and stagnant domination of British came to an abrupt end when the Japanese overran and occupied Burma in 1942. Fierce battles were fought in the Shan hills between the Japanese Imperial Army supported by the Burmese nationalists, organized in the Burma Independence Army (BIA) and commanded by Aung San and the Nationalist Chinese (Kuomintang) units, invited by the British and dispatched by Chiang Kai-shek's commanders in Yunnan (Lintner 1984:406). With the occupation of Burma the Japanese initiated a policy toward the frontier areas similar to that of the British. Although the Japanese were concerned for the Burmese nationalist, the BIA was not allowed to enter the Shan States or any other frontier areas. The Japanese, like the British before them, treated the Shan States as a separate political entity. Later when the group led by Aung San realized that Japan was interested only in a puppet regime in Rangoon and not in true independence for Burma, the BIA contacted its former enemies, the British, and was reorganized into the Anti-Fascist People's Freedom League (AFPFL). These tactical mistakes of the Burmese nationalist movement during the war widened the gap between the Burmese and the various frontier peoples who were, generally speaking, more pro-British than the Burmese. When British rule was restored after the war, the wave of Burmese nationalism was taking its initial phase and the Burmese nationalists carried on their struggle for independence. The first such wave became evident in January 1946, when all the chiefs met and voluntarily agreed to share their administrative powers with their people. A year later in a London meeting the Burmese leader, Aung San, and the British Prime Minister, Clement Attlee, reached an agreement whereby the people of Burma proper were to be given their independence, and the peoples of the frontier areas were granted the right to join in the new state if so desired. But what shape independence would take was still unclear. When Aung San attended meetings with the British in London, the Shan Saohpas sent a telegram to Attlee stating that Aung San was representing the Burmese only and not the frontier peoples (ibid:407). The more

conservative hill peoples, unaffected by the Burmese nationalist movement, were skeptical of a union with the Burmese and considered them as arch-enemies and untrustworthy. Despite such criticism Aung San toured the frontier areas and managed to gather support for a united, independent Burma. Finally the leaders of the Shan, the Kachin and the Chin peoples initiated a conference in November 1946 in Panglong in the Shan state, and agreed to join with the Burmese in forming an independent state. The Panglong Conference participants laid down a number of conditions covering the interim period before the actual transfer of power. The two most important were that they be represented in the interim Burmese government with the right of consultation on all matters pertaining to the hill areas; that the interim government give full administrative and financial autonomy to such areas as the Shan States. During the conference, the Shan Saohpas also asked for, and were granted, the right to secede from the proposed Union of Burma after a ten-year period of independence (that is, in 1958), should they be dissatisfied with the new federation. The Burmese granting to these concessions made Panglong Agreement of 1947 a key document in post war relations between the hill peoples and the central Burmese authorities. Thereafter the Shans, like the other hill peoples, participated in the drafting of the Constitution and one of their delegates served as the second President of the Constituent Assembly, and later was elected as the first President of the independent Union of Burma.

### **The Period of Independence and the Panglong Agreement of 1947**

The British reign in the subcontinent was gradually deteriorating by the end of 1946. It was clear to both the Burmese and the British that Burma would soon gain its independence. The British had to undertake the painful task of partitioning the Indian subcontinent, with subsequent civil war and bloodshed in Bengal and the Punjab. It was likely that they do not want any such similar to happen in Burma. The British were, therefore, eager to patch Burma together into a union and leave it as soon as possible. Furthermore the British officers who took over Burma after the war were, with a few exceptions, very different from the old hands of pre-war days. They had no emotional ties with Burma and the frontiers areas and were very much ignorant with the Burmese history and the problems. In March 1946, the leaders of the Shan States met together with

representatives of the Chin, Kachin, and Karen peoples in Panglong to discuss the political agenda regarding the future status of frontier areas people after getting independence. The representative created the Supreme Council of the United Hill Peoples (SCOUHP) to enable the different peoples to cooperate more closely and to work together as equals in order to achieve the same common goals. The British was eagerly making its way for the Burmese independence but there existed a problem in the solution over the unification. The British officials worked tirelessly in the year leading up to independence to ensure that ethnic minority concerns were addressed both by the British administration and the AFPFL. They ensured that no decision would be made on behalf of the people of the Frontier Areas without their consent while discussing the future status of the Burma. They desired to place them under a special regime under the Governor until such time as their inhabitants signify their desire for some suitable form of amalgamation of their territories with Burma proper.

The representative met again in February 1947 to discuss about the role and future of Burmese independence. Aung San reinforced his view supporting autonomy for the hill peoples and joined the conference to negotiate on the conditional support of the frontiers areas<sup>10</sup> in the unification and independence of Burma. Based on Aung San's promises of democracy, equality and self rule, the ethnic nationalities including Shan agreed to work together with Aung San's interim government to form the Union of Burma. The conference concluded by signing the Panglong Agreement between Aung San and the ethnic nationalities of Kachin, Shan and Chin. Aung San recognized that in order to build unity, he had to acknowledge and accept opinions that were different from his own. Thus under the Panglong Agreement he accepted that the desire for autonomy of the ethnic nationalities was as valid as his own desire for independence from Britain. He accepted full autonomy in the internal administration for the Frontier Areas (Myint-U 2011:87) and granted rights and privileges to the citizens of the frontiers areas which are regarded as fundamental in democratic countries. Addressing the conference Aung San

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<sup>10</sup> Aung San and other AFPFL leaders toured the frontier areas to gather support for a united, independent Burma. However, the more conservative hill peoples, unaffected by the Burmese nationalist movement, were skeptical of a union with the Burmese, who were considered arch-enemies and untrustworthy. Despite the difficulties, the leaders of the Shan, the Kachin and the Chin peoples initiated a conference in November 1946 at Panglong, a small market town six miles north of Loilem.

emphasized the spirit of the Panglong Agreement: the Frontier Areas may or may not join the Union of Burma. The agreement thus laid the foundation of the country and the 1948 constitution.

Furthermore under the Agreement it also stated that Shan State has the right to secede from the Union of Burma after 10 years (if they wish) from the date on which the Constitution comes into operation and the relation between the ethnic non-Burman groups' and the Burman shall be on a federal basis with:

- Equal right and status.
- Full autonomy for the Shan and other ethnic states.
- Financial autonomy vested in the Federated Shan State shall be maintained.
- Citizens of the Frontier Areas shall enjoy rights and privileges which are regarded as fundamental in democratic countries and
- The right to secede from the Federation at any time after the attainment of Independence, later a period of 10 years was agreed which was included in the Burma's Constitution 1948.

The ethnic nationalities cooperated with the Burmese nationalist under the wave of Panglong Agreement for the independence movement and on 4 January 1948, Shan together with Burma became independent from Britain and the AFPFL continued to organize throughout Burma for the upcoming elections to the Constituent Assembly. But the unexpected assassination plot of Aung San and his colleagues on the eve of independence brought the nation and the fledgling government into confusion. Rebellions by various communist factions in the months prior to independence overshadowed efforts to continue to address complaints from ethnic groups, leading to several ethnic revolts in the months following independence. The death of Aung San disoriented the Shan and the frontiers leaders who trusted him not only because he was man of his word, but because he could get things done. Moreover, they believed that he did not subscribe, as most Burmese politician appeared to do, to the concept of Burmese as a conquering a superior race. With Aung San loss, there was bewildering political jargon, terms and definition in

framing the constitution. Despite such a hasty graft in the aftermath of independence, the bonds that linked the Burmese, Shan, Kachin and Chin- the signatories of the 1947 Panglong Agreement- remained strong from 1948 to the late 1950s. There was one such event that greatly apprehended the comfortable relation. In 1950, the Kuomintang troops were defeated by Chinese Communist government that was led by Mao Tse Tung. The defeated Kuomintang troops fled into the Shan State and made its operation from there. After that the central Burmese government sent its troops to Shan State with the pretext of securing the border and fighting off the Kuomintang troops. However, the Burmese Army did not defend the border nor fight the Kuomintang troops but tried to seize the Shan State. They regard the Shan as the number one enemy that could threaten to the Burmese power. It was fortunate for the union that Shan leaders were far sighted that they favored the cordial personal relations with the AFPL. Moreover the 1948 constitution (completed in 1947) in line with the wishes of the Non-Burmese as promised by the Panglong Agreement, at least provided the constituents units in the internal administration and affairs. The leaders of Shan and the Non Burmese had the implicit understanding that the changes could be made in the near future as soon as some peace and stability was restored.

### **Secessionist Movement of 1958**

The fourth of January 1958 was a significant year for the people of Burma for two reasons; it marked the tenth anniversary of the nation's independence and it also denoted the end of the constitutional limitation on the rights of a state to secede from the union (Silverstein 1958:43). According to the 1948 constitution, only two states-the Shan and Karenni were eligible to secede. While the anniversary of independence caused rejoicing throughout the country, the right of secession caused many of the leaders to worry and wonder whether or not this date would become significant as the beginning of the breakup of the Union.

The Shan secessionist movement lay embedded in the agreements and the testimony taken at Panglong Agreement of 1947 which clearly informed that Burmese leaders would grant the chiefs of the frontier areas to retain internal autonomy in their traditional areas. The Shan traditional elites allied with the Burman dominated AFPL in order to

safeguard their own position as well as the autonomy of the Shan state. They succeeded in securing both the creation of Shan state and their own position in the government at both the Shan state and the federal levels. The AFPL avoided any description of local government in the state and restricted them to considering the form of the government at the state level. As a result, the chiefs retained administrative control over their individual territories after independence. They also were granted the exclusive right to elect twenty five seats in the Union Parliament's Chamber of Nationalities and formed the Shan State Council. In response the chiefs promised in exchange to surrender their traditional judicial authority, and they agreed to combine their territories into single political units. This promises brought Shan with other ethnic nationalities united with the Burman dominated AFPL in forming the new Burma after independence.

But the Burman dominated AFPL government had no intention of maintaining the status quo as prescribed under the Panglong accord and all of the Burmese state; it was the Shan state that suffered most from the disruptive effects of the government intervention and as early as 1950s the Saophas had to forgo their judicial power in the hand of the Burmese dominated AFPL. Then in the similar years the Shan state was put under the military administration so as to undermine the power of the Saophas. During that year Shan state became a complicated arena when under the pressure from the Mao Tse Tung's communist forces several nationalist Chinese armies fled into the area of the Shan state.<sup>11</sup> Having realized the strategic significance of the Myanmar border area, the KMT planned to use the Shan State and the border areas as long term military bases (Moye 2011:33) and began to operate in the area. This brought fear to the Burmese leaders in retaliation to be dragged into the cold war conflict and the Tatmadaw poured into the Shan state pushing the KMT troops from the Shan state. But evidently it was another move to undermine the power of the Saohpas. It had become clear that the Burmese leaders felt uneasy with the federal structure and held that only a strong unitary state could solve Burma's problem. The Shan princes were regarded as obstacles to the amalgamation of all the states and the Burmanization of the frontier areas. This operation brought a fear in

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<sup>11</sup> When the Chinese communist came to power in 1949, the People's Liberation Army ejected the KMT troops from China proper. Subsequently, in early 1950, remnants of the KMT troops and their families, under General Li Mi, moved into Shan state of Myanmar and used the country's frontier region as a springboard for attacks against the Peoples' Republic of China PRC.



the minds of the Shan nationalities as the army repeatedly tortured and attacked local villagers under the martial laws.

As the year in which Shan State was constitutionally empowered to secede from the union grew nearer, some Shan leaders viewed the ongoing presence of thousands of Burmese troops and the imposition of martial law as an occupation, a situation that stoked feelings of nationalism among the Shan (Risser, Kher and Htun 2003:16). Furthermore the erosion of traditional authority by continuous government repressive actions gave rise to anti feudalist sentiment in the Shan state. At such critical juncture the Shan Saophas responded by seeking and finding a new platform upon which to base their claim to leadership, a platform to speak on the behalf of Shan nationalism and to maintain their local authority and make claims against the central authority.

An unarticulated discontent started to grow among the Shan intellectuals in the cities and a nationalist movement began taking shape. In 1957 a year before the secession, the Saophas formed the Shan State Unity Party (SSUP) to try to lead them out of the federation constitutionally rather than surrender their powers. They passed resolutions advocating secession rather than surrendering their powers which the Burmese leaders have started to demand. But the resolution was never discussed appropriately as the government was not aware of the growing intransigence of the Shan Saophas as they fear of losing the unity of the nation. The increasing domestic tension and the built up of discontentment against the government made the Government to partially broke its silence in April 1957, when U Nu said, while on a visit to the Shan State, that the Government would make an announcement of settlement with the chiefs before September 1957. However, by Independence Day, 1958, when the right of secession became operative, the Government still had not announced any settlement, nor had the Shan chiefs attempted to carry out their threats of secession. When the resolution failed to bring demand of secession, more radical Saophas together with young aristocrats formed the Shan State Army (SSA) in 1958. The emergence of the Shan rebellion lies in the role of the government to limit the powers of the Saophas and the escalation of armed opposition in Shan state. The Shan national movement grew from this point forward, with

several organizations taking up arms throughout the decades to pursue varying degree of Shan national causes.

In the light of demand for secession, the Shan Saophas achieved nothing but further problem with the government. The right of secession can be viewed as an unrealized and vague power which is more useful as a potential than as a reality. Although it was a bargaining weapon useful to the people of Shan state but in reality the right of secession was just another unopened treasure chest and an unlighted beacon which failed to prove its existence. With the coup in 1962, the participants were arrested and the secessionist rebellion deescalated. The Shan Saophas articulated themselves with separate Shan nationalism where the traditional elites was challenged in the leadership of Shan rebellion by educated youth who were overtly socialist and anti-feudalist in their learning. The increasing younger generation emerged to assert their views and ideologies in seeking positions of legitimate dominance in the Shan community that proved to be a major source of factional disunity amongst the Shan nationalism and nationalist movement.

### **The Shan Special Regions: A Case of Wa Special Region**

Within the Shan nationalities fighting for their federal and the secessionist rights, there were some groups who found the betterment of life under autonomous region and entered into a peaceful negotiation with the government rather than fighting against the Tatmadaw under an armed rebellion. These are special regions 1 under Myanmar National Democratic Alliance Army, Special regions 2 under United Wa State Army, Special region 3 under Shan State Army, Special region 4 under National Democratic Alliance Army, Special regions 5 under Kachin Defence Army, Special region 6 under Pao National organization and Special region 7 under Palaung State Liberation Party. The regions serve as an autonomous unit and remained outside the central government's control. Of these autonomous regions Wa region has a significant part in the escalation of internal conflicts against the government.

The Wa is an unrecognized state in Burma<sup>12</sup> and is subsumed under the official Wa Special Region 2 of the Northern Shan State and is run by the United Wa State Army (UWSA). The name 'Wa' is derived from the Wa ethnic group and numbers around one million people today, divided between Burma (about two third of the total centered in the Wa state) and the one third mainly in China along the borders of the Yunnan (Fiskesjo 2010:151). The regions is under the control of United Wa State Army (UWSA), the strongest force of the Shan ethnic armies that once made up the fighting forces of the Communist Party of Burma (CPB). But with the fall of the Communist Party of Burma after it lost control of its bases in central Burma in the late 1980s<sup>13</sup>, the Wa entered into ceasefires agreement with the Burmese government in 1989<sup>14</sup> and thus had been running its own affairs and armed forces.

Under the ceasefires agreement with the government, the Burmese military maintain a liaison office in the Pangshang (the unofficial capital located directly across the Chinese border) and for all intent and purpose the region became a semi-independent, but unrecognized buffer state between Burma and China, with their own rule and administration. Since the ceasefire, the UWSA has not posed a direct threat to Burma's military junta and greatly adhering to the ceasefires agreement. But ever since the region remains as autonomous units, illegal narcotics trafficking constitute as the greatest insecurity flows in and out of the Wa State bringing the government under dire consequences to stop it. The Wa state is encompassed within the so called Golden Triangle which spans sections of four countries (Burma, Vietnam, Laos and Thailand) and is one of the most extensive opium producing and trafficking regions .Through the profits of the drug trade, UWSA has successfully built a formidable Para-state within Burma, equipped with the largest and best armed fighting force in Myanmar, next to the

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<sup>12</sup> The Myanmar government doesn't officially recognize Wa as a state but rather as an Autonomous Special Region after they entered into ceasefire agreement with the government in 1989.

<sup>13</sup> During the 1980s, the Burmese Communist Party BCP, lost its base of operations within central Burma, and with the assistance of the Chinese communists, expanded within the border regions.

<sup>14</sup> On 17 April 1989, Bao Youxiang's armed forces announced their separation from the Burmese Communist Party, and formed the United Myanmar Ethnic Party, which later became the United Wa State Party. On 18 May, the Wa State and Myanmar military junta formed a ceasefire agreement.

government's army (Myint-U 2011:107). Moreover in Burma, most of the opium cultivation and trafficking takes place under the authority of the UWSA. The UWSA has capitalized on the drug trade and reinvested the earnings into building facilities and developing technologies to manufacture other drugs such as methamphetamines. Additionally, the UWSA has used the money it makes from the drug trade to take part in weapons trafficking overland and via the Mekong River, primarily through China, Thailand, India, Laos, and, to a lesser extent, Bangladesh, and within Burma.

The flow of drugs trafficking has brought series of insecurity along the borders line particularly when the region is situated very close with China. The Wa state have maintained a very close gap to the rapidly rising Chinese drug market particularly through the easier routes through Yunnan to the outside world. The profits made out of drugs trafficking are reinvested in developing technologies to manufacture other drugs such as methamphetamines and moreover to take part in weapons trafficking across the borders. In all the Wa are the big players in Burma-China borderlands. The instability and continuous flow of drugs and weapons along the border front have put the government into dismay, adding further strain in the ongoing internal conflicts.

The self control and the independent form of autonomy in the region brought Wa more closer and in direct contact with China as there are no borders with China. The greater dependence and the presence of the Chinese influence are clearly visible in the development of whole sectors of Wa regions. The whole electricity in the Wa region is on the grid of Chinese electricity and even internet and the mobile phone grids (Myint-U 2011:107). The entire region enjoys a continued and discreet support from the local Chinese authorities. This dependence on the foreign soil brings concern and caution to the Myanmar government particularly when the Wa claims itself as an independent state or as 'small China' due to the larger influence of China.

The autonomy granted by Myanmar government under the ceasefires was just a tactical retreat to regain the popularity of the local chiefs so as to push the boundaries of the Burmese state as far as possible to tie the local economies with the centre and enhance the spread of majority Burmese culture. But for the Wa, the very definition of autonomous region was self rule and independent form of control taking the advantage of

the resources available and the its position in building the regions. Importantly as an autonomous region, Wa failed to stay at the back of the ceasefires agreement, but on the margin of China enjoying discreet support from the local Chinese authorities across the unmarked frontiers. This in a way affects the Myanmar Government authority over relations with China and access to the rest of the country because of the insufficient means to enforce its will over the strong and de facto control of the Region by the Wa.

The government remains fugitive and helpless over the varied demands of the ethnic nationalities. At one side the Kachin and the Shan are demanding for an equal right on the premise of federating unit and at the other side, Wa are fighting for the autonomous unit under the ceasefire as under it they have developed into a better outfit than not being under the ceasefires. The varied demand of the frontiers area puts the government into helpless situation where total military brings no solution and the indirect options such as ceasefires and autonomous regions further annihilated their option to suppress the growing demands of the ethnic groups. The only option that lies ahead is to solve the problems by sitting together and framing the viable alternative and chances that can bring the ethnic groups and the government under one umbrella although the options remains very critical and flawed under the rule of military government.

## **CHAPTER-III**

### **MYANMAR'S INTERNAL CONFLICTS AND THE STATE RESPONSES**

Emerging from the colonial rule and as a battle ground in World War II, Myanmar attained independence in 1948. With independence, the nation was still in the nascent stage of development due to the wide exploitation of their labor and resources under British. At the time of independence, Burma also found itself under dilemma from the Cold War politics and power struggles between communist giants of East and West allies (Clapp 2014:6). In order to prevent itself from being drawn in the turmoil, Burma adopted a foreign policy of strict neutrality and non-alignment. It is not surprising that the adoption of such neutral policy lies in the country's dramatic internal reforms that had the effect of transforming its interest in the global community and approach to foreign policy. This transformation has not been formed out of whole cloth, however; it is a fabric woven by decades of Burma's coping with the internal strife.

In order to understand the whole landscape of Myanmar's internal problem, one must first explore the country's modern history, beginning with the end of the colonial era. To present a discussion on the internal problems it is very important to understand the domestic politics during the three main years succeeding independence from British colonial rule: the democratic years from 1947 to 1962, the Ne Win government from 1962 to 1988, and the years of martial law under the State Law and Order Restoration Council (SLORC) and State Peace and Development Council (SPDC) from 1988 to 2010. The Myanmar internal problem remains submerged under these three phases that have overshadowed the prospect of peace and reconciliation.

#### **The End of Colonial British Rule and the Beginning of Democratic Years**

The British colonial period in Burma was spawned by a strong nationalistic sentiment in the country's ethnic groups, motivated chiefly by a desire to expel the colonial masters and gain political and economic independence and self-determination. The Burmans felt alienated in their own country by the British rule and the many "guests" the British had

brought in, particularly Indians, who by the 1930s had become the mainstay of the mercantile class and government ministries (ibid:7). Under such growing circumstances, it gave rise to nationalist feeling and brought many young men from every section of the society in driving the British out of Burma. Amongst them, a group of young activists led by Aung San (father of Burmese independence), drawn to Marx's anti-imperialist philosophy, founded the Communist Party of Burma (CPB) in 1939 (ibid:7). Under the CPB ideology, the young groups were very determined to drive the British out of their country and in getting rid of colonial domination, economic exploitation, and prolong subjugation. Though there were a number of divisions and subdivisions amongst the anti-colonial agitators against the British, the small core group led by Aung San held a heroic fight and instigated an armed revolt against the colonial British. To their anti-colonial stand, the group accepted the imperial Japan's assistance to guide them with arms and ammunitions and in routing the colonial government and driving them out of Burma. The group formed a small block of army which acted as the backbone of the Burma Independence Army (BIA) and with successful training and wide expertise with the warfare techniques, Aung San and his 'thirty comrades' guaranteed of supporting the imperial Japan in expelling the British. Under Japanese the BIA started taking control over most of the Burmese region. They took the advantage of their position in driving out half a million Indians and hundreds of thousands fled under the fear of being killed and prosecuted by the BIA (Myint-U 2011:19). Japan under the support of BIA invaded Burma in 1942 and nominally declared independent Burma as the State of Burma. A puppet government led by Ba Maw<sup>1</sup> was installed. However, it soon became apparent that the Japanese had no intention of giving independence to Burma. With the time rolling, the BIA started getting suspicious of the idea and the greater interest of the Japan rule in Burma. Problems further started to upsurge with the rise of Japan's fascism and the failure to grant the independence as promised to Aung San and his groups. Under such situation the group form a political arm for the BIA called the Anti-Fascist People's

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<sup>1</sup> The BIA formed a provisional government in some areas of the country in 1942, but there were differences within the Japanese leadership over the future of Burma. While Colonel Suzuki encouraged the Thirty Comrades to form a provisional government, the Japanese military leadership had never formally accepted such a plan. Eventually, the Japanese Army turned to Ba Maw, a political leader to form a government.

Freedom League (AFPFL), joining the Allied forces to bring an end to Japanese occupation in 1945.

Emerging from the experience of the foreign and colonial domination, Aung San and his group were determined in getting rid of the colonizers and focused to serve the political and economic interest of the nation. Indeed, Britain was in a determined position to grant independence that they were craving for and moreover their loyal support in fighting against the Japanese imperialism proved to be a significant factor that led to the success of Burma's independence. Instead of a positive vibe, the idea of granting independence created a furious setback between occupiers (ethnic Burman) and invaders (ethnic non-Burman) leaving the country in shambles (Clapp 2014: 8). The difference in the notion of getting the indigenous rights with independence brought hindrance at the very start of Burma's independence. The reason for this lapse lies in the British concept of divide and rule policy which divided Burma into two parts; Burma Proper and a Periphery. Burma Proper was ruled directly by the British whereas in the Periphery British allowed local rulers, who were usually hereditary chiefs, to control their own area under their own administration and as a British "protectorate" ([http://epu.ac.at/fileadmin/downloads/research/rp\\_0708.pdf](http://epu.ac.at/fileadmin/downloads/research/rp_0708.pdf) accessed on 30/10/2014).

Unsurprisingly, the British policy of divide and rule brought the problem of ethnic differences and rivalry on the surface which Burma rarely witnessed before colonialism. Resentment came soon with the previous co-existing communities becoming suspicious towards each other and instilling distrust instead of unity to fight against the colonizer. At such critical time the British proposed an interim reconstruction period of several years under their guidance to allow for economic recovery and to establish the governing institutions of parliamentary democracy. Aung San and his colleagues, however, preferred to move directly to self-rule and were particularly anxious to expunge British control of the country's economy and as such sovereign independence of the new state was born on January 4, 1948.

Yet, as the leaders were busy drawing a charter for a Constitutional framework, the nation met with a tragic death of their hero, Aung San and several of his colleagues who



were assassinated by a disgruntled political opponent. The people had high hope and good faith in him in upbringing the nation but with his death all hopes were gone. The aftermath leaders of Burma embarked boldly on their adventure of independence. They lacked the strength and the leadership qualities to negotiate the terms of independence with Britain and forge agreements with skeptical minority ethnic groups to gain their endorsement of the new constitution. The main ethnic groups i.e. majority Burman and the non-Burman of the frontier areas, both before and during the colonial years had been governed more or less separately and the non-Burman nationalities had enjoyed considerable autonomy in return for supporting British interests in their areas and in terminating and expelling the Japanese forces. Many had been christianized by missionaries and had little in common with the Burman Buddhist majority (Clapp 2014:9). The greater diversity in the difference of nature and ideology between the main Burman and the frontiers minority groups brought a resentment and disturbance in the formation of sound constitution of Burma. These ethnic groups came to be seen, especially by the more conservative of the new Burman nationalist leaders, as continuing conduit for foreign influence and meddling in the country.

In such inappropriate time, one of member of the 30 comrades, U Nu took over the role of Aung San. But his leadership failed to provide the legitimate rule that was needed. U Nu took inept decision to restrict autonomy and constitutional rights to the minority ethnic groups and strongly criticized the unfavorable decision of the previous government under Aung San. Aung San had earlier provided a space to hear the decision and the grievances of the minority ethnic groups. It was under him that faith of the minority group was brought forward while formulating the constitution. However, U Nu had a very different approach. His idea and the policies were very different and discriminatory towards the minority groups leading the groups to join armed rebellion to meet their demands.

As the nation was surging under the harsh and discriminatory rule of U Nu, the external world began to intrude on Burma again as a result of the Communist revolution in China (Clapp 2014:9). During 1950s, Chinese Communist Party (CCP) came to power in China and the People's Liberation Army (PLA) ejected the Kuomintang troops (KMT) from

China. Subsequently, the remnants of the KMT troops and their families, under General Li Mi, moved into Myanmar and used the country's frontier region as a springboard for attacks against the CCP (Moye 2011:32). When the remnants of Chiang Kai-shek's Kuomintang troops fled across the border into Burma with the support of Taiwan, Thailand, and the United States, the government and the military planners became deeply concerned that the KMT presence could provoke an invasion by Chinese Communist forces, making China a potential external threat to Burma. In addition the Shan state were moving closer to their demand for secession according to the Panglong Agreement of 1947 that brought the Shan state to equal term in the success story of Burma's independence. But the government under U Nu never wanted any Burmese state to secede and form a separate state and instead preferred for the union of all state. Since the Shan secessionist movement was growing bigger the government wanted to contain the growing movement and thus they made the KMT intrusion as a pretext and deployed government forces into the Shan State putting large areas under military administration, causing the Shan, who had until then been on good terms with the U Nu government, to begin thinking about self-rule (Clapp 2014:9).

The infiltration of the KMT into Myanmar border region and the weak government under U Nu paved a series of concern of being under threat from the external forces and as such the government decided to adopt the policy of neutrality and extended friendly relations with external neighbors. With the adoption of neutrality U Nu's policy became more centralized, revolving around him and his rule being more self oriented, there emerged a gradual disintegration and division amongst the member of his party- between the more liberal wing of U Nu and the more authoritarian wing, which tended to support Ne Win and his allies whose influence were beginning to widen, making it increasingly difficult for the government to reach decisions (ibid:10). When the party got split in 1958, the general condition of the people and the Burma was developing into widespread political instability, threatening the cohesion of the Union. Under such, Burma was put under a caretaker government under the Army's authority to restore security and law and order. Following the year after, Ne Win returned the government to parliamentary rule but it was too late. The condition of the government was largely destroyed, the squabbling

within the parliament persisted and a culture of violence began to take root throughout the country.

Accordingly, the Shan state leaders met U Nu government in 1961 and submitted a proposal to loosen the federal structure of the constitution (Linlater 1984:416) as proposed in the Panglong Agreement. In the subsequent year, the Burmese Government convened the Nationalists' Seminar in Rangoon in order to discuss the future status of the frontier areas. Ne Win saw any accommodation with the ethnic groups as detrimental and this type of developments as prelude to the disintegration of the Union. He believed in doing a better job of holding the country together and making the trains run on time than U Nu's fractious civilian government.

### **Ne Win and the Year of Direct Military Rule**

The intensification of preventing and holding the unitary of the nation brought to the end of democratic years by 1960 and the beginning of direct military rule in Myanmar under the military coup of Ne Win in 1962 up to 1974 (Devi 2014:46). General Ne Win and his military personnel under the disguise as the protector of unitary Burma rolled through Rangoon and took over the government offices, arresting nearly all the top elected officials. Parliament was dismissed, the constitution was suspended, and the Revolutionary Council of Ne Win's lieutenants assumed power. The military proclaimed with such an attempt that Burma could not afford such a luxury as federalism (Clapp 2014:10).

Immediately after taking over Burma as a new leader, Ne Win expounded an ideology of "Burmese Way to Socialism" under one party government of Burmese Socialist Program Party (BSPP) as he was greatly influenced by the socialist feeling that guided the anti-colonial movement and the parliamentary years. This ideology became a thinly disguised excuse for consolidating all national assets under military control and closing the country's doors tightly to the tumultuous world outside. His new brand of socialism presents the military as socialist revolutionaries who appealed to large body of popular sympathy that had developed around the countrywide Communist opposition, which had emerged from the pre-independence, anti-colonial nationalist movement. But the absence

of genuine ideology and the failure to bring the concept of this new brand of socialism amongst the frontiers and minority ethnic groups led to the recognition of this regime as a dictator or direct military rule (Devi 2014:47).

Within a year or so, the policies and the working of the regime were clear and noticeable. The democratic institutions were dismantled and concentrated all the powers in the hands of Revolutionary Council under General Ne Win, which comprised of the group of senior officers. The military replaced the civilian leadership with members of their own organization. The Constitution was suspended and became inoperative in areas where the Revolutionary Council issued decrees and promulgated orders. In form and theory Myanmar remained a federal state but in practice the military junta treated the country as a unitary state (ibid: 47).

More importantly, the military exerted an increasing control over the peripheries and abolished what it viewed as unnecessary internal division, i.e. ethnically defined constituent state (the Shan, Kachin, Karenni,) states by the 1948 Constitution (Yawngwe 1961:25). Thus the country which the military saw as close in breaking up was held firmly and effectively together. The regime's political objective was very much clear. It wanted *the implementation of ethnic forced assimilation through the "nation-building" process, and the establishment of a homogeneous country of Myanmar, with the notion of one ethnicity of Myanmar, one language of Myanmar, and one state religion of Buddhism.* (Burma centre for ethnic studies 2012).

The regime also had a clear picture in its external relations and prepared to move against its perceived internal enemies. All international influences were summarily expunged. In 1962, foreign companies such as the Ford and Asia Foundations, the Fulbright Program, and the Rangoon campus of the Johns Hopkins School of Advanced International Studies were evicted. In the corresponding year, Ne Win nationalized all major businesses and industry. Hundreds of thousands of Indian and Chinese merchants were expelled from the country, and all foreign and national banks were taken over by the government, dealing a harsh blow to the economy, particularly the rice and commodity trade. English-language

training was severely curtailed and a serious effort at “Burmanization”<sup>2</sup> was instituted among the ethnic minorities (Clapp 2014:11).

Internally Ne Win policies to bring state under one direct rule was gaining a negative responses from the minority ethnic groups who were subjugated by the continuous torture and militarization by the Ne Win’s army. The situation was perhaps going to such an extent that at one point perhaps under the Chinese pressure, Ne Win invited minority ethnic groups and the communist revolts for a viable solution to discuss the possible way for reconciliation. The meeting proved futile and the failure to get a desired result, the minority ethnic groups turned back to their insurgencies (ibid: 11). Since Mao Zedong’s Cultural Revolution gathered momentum in China, the Chinese began openly to support the Communist Party of Burma (CPB) and several of the ethnic insurgencies who began to acquire a Communist overlay. The result was wide protests and demonstration against the government by the insurgencies who were vying for autonomous independence under the cover of Chinese Communist Party. The violent street demonstration and protest in 1967 in support of Mao and the Cultural Revolution was one such incident that led to the further rift between the unacceptable rules of Ne Win. Beijing turned against Ne Win and began openly supporting the CPB’s effort to overthrow the Ne Win government, thereby greatly expanding material support for CPB forces. Fearing of the counter attack and the invasion of Chinese on the Burmese soil, Ne Win adopted many stark policies such as Ne Win’s ‘Four-cuts’ policy of military offensive in Peripheral areas to repress any action against the government (Chaturvedi 2012). This policy was drafted to separate rebel forces from their families and support bases in villages by cutting off supply of food, funds, news and new recruits to the ethnic armies, isolating them completely and drawing them out eventually so as to build a cordon between northeast and central Burma to defend the heartland and the unitary spirit of Burma .

Hence throughout the period, Ne Win’s overriding policy objective was consistently and single-mindedly one of avoidance: to avoid foreign interference in Burma’s chaotic civil wars, to avoid being forced to choose sides in the Cold War, and to defend the unitary

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<sup>2</sup> It was a doctrine of Ne Win to bring the identity of Burma which was greatly overshadowed in the mist of ethnic tension and constitutional problems. Ne win thus brought all the ethnic people under one common notion of burmanization.

spirit of Burma. Surrounded by great-power competition that threatened to spill over into Burma, he held all contenders at bay and carefully balanced his relations with each.

### **Martial Law under the State Law and Order Restoration Council (SLORC)**

Ne Win era came to a humiliating end with the popular ‘four eights nationwide democratic movement’<sup>3</sup> of 1988, when people became fed up with the Burma Socialist Programme Party’s inept economic management, which had impoverished the country. The 1988 nationwide demonstrations against Ne Win and the BSPP were well published Burmese quest for democracy. In the midst of the uprising, Ne Win resigned, dismissed his cabinets and decided to hand the government over to the military government under State Law and Order Restoration Council (SLORC) and further promised that the military must return the country to multiparty parliamentary governance with immediate effect. On the external world, Southeast Asia was developing and in a similar manner China was too undergoing an economic transformation. The Cold war was also coming to an end and as such Ne Win felt that it was appropriate to place the country under the rule of SLORC.

The new official military government named itself as the State Law and Order Restoration Council (SLORC), brought the new nation under more influential and impressive development announcing the establishment of a free-market sector in the economy, inviting foreign investment and opening the country to tourism (Clapp 2014:13) while seeking modernization and expansion of its armed forces. The government also made a reliable and sound track appeal by abolishing the 1974 Constitution<sup>4</sup> and announced for the Multiparty Parliamentary elections to be held in the near future. This change was widely seen in the context of new generals where the power was shared amongst the SLORC members unlike in the past when power was concentrated in the hands of the top leaders. As such to participate in the election, the

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<sup>3</sup> It was a series of marches, demonstrations, protests, and riots in Burma (Myanmar) which occurred on 8 August 1988, and therefore it is known as the 8888 Uprising. It was people power uprising against the military rule of Burma (Myanmar) who have seriously brought catastrophic and impoverished the country.

<sup>4</sup> The 1974 constitution was the second constitution to be written which created a unicameral legislature called the Pyithu Hluttaw (the people’s assembly), represented by members of Burmese Socialist Programme Party.

BSPP changed its name to the “National Unity Party” (NUP) (Islam 1996:187) and began to canvas their influence amongst the people to gain the majority.

At the similar time and perhaps in the beginning of 1989, some of the ethnic leaders who had joined forces with the CPB began deposing their Communist leaders and started sending their Chinese advisers home, bringing an end to the CPB as a threat to the government. With the introduction of China’s economic reform toward a market-oriented economy starting from 1978 (Chow 2004:127), it was touching a new height of success. This new set of reform greatly brought China in the mainstream, as prior to 1978; China’s economy was essentially characterized by closed economy, staggering under the rule of Mao and his cultural revolution. This new reform policy was adding a change in China’s foreign policy and its relation with its neighbor unlike the previous rule of Mao Zedong who was influencing in spreading his party and his communist ideologue to the far south eastern corners. With new leader in the neighborhood and new reform policy, the unconditional support that was availing to the BCP with arms, money and ammunition came to an end. The new leader, Den Xiao Ping had a different strategy and policy formulation with his neighbors, focusing more on the economic and development reform and curtailing the further instability in its relations to the outside world and bringing it more closer with its neighbor particularly Myanmar and provided unconditional support.

Thus with the support of Beijing firmly under the reformist management of Deng Xiaoping the SLORC began to negotiate a series of ceasefire agreements with various ethnic rebel groups, guaranteeing them autonomous governance of designated areas, and allowing them to keep their armed forces to provide local security (Clapp 2014:14). The government felt the issue of ethnic to be a serious and contemplating one although there was little exception of which Karen nation still vied for its independence (Lintner 1981:702).

As Myanmar was under new regime the people were still fighting for their individual right though in first instance it was merely restrained from violence by the proclamation of new parliamentary election to be held in 1990. In addition the beginning year of 1990 brought a new public figure to Burma. Aung San’s daughter, Aung San Suu Kyi, returned to Burma from her home in England and quickly she became a leader among protesters.

When the SLORC began in earnest to set the stage for multiparty elections in 1990, she joined forces with other democracy advocates to help organize the National League for Democracy (NLD) and actively campaigned for its parliamentary candidates. However, it soon became evident that the NUP was losing to the National League for Democracy (NLD), especially due to the popularity of Daw Aung San Suu Kyi (Sakhong 2012:12). This major popularity of NLD amongst the people of every section brought grave danger to the ruling regime and on the pretext of instrument of foreign influence in the political process; they placed Aung San Suu Kyi in detention.

In the similar time the crushing of the popular ‘four eights nationwide democratic movement’ (Haling 2007:1) and illicit human massacrings crippled the reputation of the SLORC towards outside world and indirectly it led Western governments to begin withdrawing economic and military assistance thus turning the country into the pariah state until 2011 (Gaens 2013:7). The general election of 1990 also proved to be a grave failure to represent the democratic voices as despite the National League for Democracy (NLD), many of whose leaders the SLORC had arrested and detained in 1989, winning 392 out of 485 parliamentary seats with 80 percent of seats,(approximately 60 percent of the popular vote (<http://www.hrw.org/sites/default/files/reports/burma0508chronology> accessed on 03/11/2014), they failed to achieve the responsibility to draw up the Constitution of future democratic state. The overwhelming victory for the National League for Democracy NLD with such restriction surprised the military government and significantly the military leaders refused to seat the new parliament, and promulgate a *declaration No. 1/90 which states that the desire of the majority of the political parties which contested the General Election is to draw up a new constitution... consequently, under the present circumstances the representatives elected by the people are those who have the responsibility to draw up the constitution of the future democratic State* (ibid: accessed on 03/11/2014). Meanwhile the SLORC announced six objectives of the National Convention, the first three of which are the same as the SLORC’s “Three Main National Causes”: 1. Non-disintegration of the Union; 2. Non-disintegration of national unity; 3. Perpetuation of national sovereignty; 4. Promotion of a genuine multiparty democracy; 5. Promotion of the universal principles of justice, liberty and equality; and, 6. Participation by the Defense Services in a national political leadership role in the



future state. The six objectives in practice failed to deliver a desiring path to meet the objective of the ethnic people. Moreover this publicized statement by the SLORC was brought forward in order to curb the democratic peace process that had begun from NLD overwhelming victory in the election. The SLORC thus upheld martial law and continued to exercise legislative, executive, and judicial power. Thus began a twenty-year search for the right formula for a return to multiparty governance, which allowed the military to retain its preeminence in the political process to ensure “discipline” (Clapp 2014:14).

In order to continue the long nationalist campaign to wipe out all vestiges of the colonial years, the SLORC changed the country’s official name from Burma to Myanmar in 1990 and began Burmanizing the names of cities in ethnic minority areas. Adding to the woe the policy created a new symbol for resistance by various opposition groups, both the pro-democracy forces and ethnic minority rebels. International relations with the country also became increasingly divided between those who called it Myanmar and those who refused to give up the name Burma.

While everything was happening round the clock and going against the interest of the SLORC, the regime dropped the autarkical ideology of the previous regime of Ne Win and opened up the economy to the outside world (Egretau 2012:272). The decision for the free market opening was created to take the advantage of the new investment opportunities and to build the nation economy which had submerged under the economic embargo of the western countries. The SLORC initiated some liberal reforms and made considerable investment to build the physical infrastructures, which paid off as reflected in the successful implementation of the Short Term Plan (Soe:2). International aid agencies began to operate in Myanmar, and many countries opened banking offices in expectation that they would soon be allowed to operate. As such Burma relatively had a high level of economic growth in the 1990s where living standards have improved to the extent that life have a normal flow with access to minimum benefits and relatively large reduction in poverty and positive development in living conditions (Lagerkvist 2008:306).

## **Myanmar under State Peace and Development Council (SPDC)**

By late 1990s the Myanmar regime under SLORC have changed its name to State Peace and Development Council (SPDC) to demonstrate that martial law under the post–Ne Win leadership had now restored law and order and that the regime was focusing on peace and development in preparation for the return to Parliamentary governance. The SPDC affirmed its main objective in the consolidation of sovereignty, the non-disintegration of the Union, and the non-disintegration of national solidarity. Notably, the military government had pursued these goals by focusing on state building and war fighting, involving the consolidation of the military’s control over territory (Haacke 2010:115). Gradually with time, Myanmar became a worldwide target for human rights advocates and the subject of annual campaigns at the UN General Assembly to levy international scorn on the military regime. On the other hand, Aung Sang Suu Kyi and the NLD were gaining ground of popularity despite being isolated under the regime. They lobbied and developed effective support of global network by bringing the issues of 1990s election, the failure of the regime to hand over the legitimate power and the regime’s dictatorial abuses and heinous crimes. Under these circumstances, the SPDC was in no position to prove its worth; they in turn focused on counter poised strategy to prevent their status and leadership rule. The mode of communications, the dissemination of information, and freedom of movement and assembly were strictly controlled under the eye of the regime in order to keep itself remote in the subject of ethnic and human rights crime towards the outside world. The regime isolation was the denomination of human rights abuses and atrocities which kept the nation under further segregation in all section of living. Notably, given that Myanmar remained cut off from the financial and technical assistance usually available from international financial institutions and could not rely for such assistance on other regional countries, the military government sought to advance economic cooperation with China, in part by drawing on the latter’s concessionary loans and technical expertise to proceed with often large-scale industrial and infrastructure projects that the regime was unable to get off the ground itself (Haacke 2011:115). The western economic embargo brought Myanmar closer to China who provided a valuable diplomatic support on the international scene and enable Myanmar to efficiently balance the international isolation (Egreteau 2012:276).

By the second decade of SPDC martial law, it was becoming apparent to outside observers that there were different views inside the top military leadership about the degree to which the government should engage with the ethnic issues, its relation to the outside world and the stated goal of multiparty governance. The top general, Than Shwe, was predominantly inward-looking, concerned with securing the Union and assuring military predominance. By contrast, the third general in the hierarchy, Khin Nyunt, was more sensitive to the country's posture in the region and the world (Clapp 2014:16). Khin Nyunt, had been a major architect of the country's opening to the world by maneuvering a good leadership towards the internal issues and foreign policy and the management of foreign relations. Without him, the SPDC's diplomacy was essentially frozen. Senior General Than Shwe was not interested in maintaining an active solution to the ethnic issues and instead turned inward and focused on his plans for transition, which included moving the entire government to a new capital Nya Pyi Taw. (ibid: 17).

The back to back incident in Myanmar i.e. saffron revolution (2007) when an armed attack on protesting monks by government security brought an eye-opening experience for the international community and cyclone Nargis (2008) where the regime refused to accept international aid and assistance (Tea 2010:12-13) proved to be a real test to the government. These two incidents brought the international community into action and in defiance of the regime. In the similar years 2008, the government announced for the approval of the new Constitution based on the necessary good foundations to transform the administration of Tatmadaw (<http://www.hrw.org/sites/default/files/reports/burma0508chronology//> accessed on 3/11/2014). Rocked by two disastrous events, most parties boycotted the drafting of the constitution including the NLD who condemned these incidents as a greater importance than the drafting of a new constitution. The military had a different idea, instead they moved forward in drafting the constitution. The ethnic groups with reference to the 2008 constitution argued that nothing has been achieved because they are still powerless. There remains a long gap and challenges including the internal rights to self-determination for ethnic nationalities who are also member states of the Union. They argued that without having state constitutions for their respective states and their rights of self-determination, they cannot claim themselves in the Union. They also argued that having a State Assembly, without a state

constitution will be no guarantee of the right of self- determination; without a State Constitution, the State Assembly cannot make a genuine law because it will merely be done through the law promulgated for them by the central government, or outside of their power (Sakhong 2012:15).

Thus during the twenty years reign of martial law under the successive rule of SLORC and SPDC, Myanmar experienced significant changes in the characteristic and approach of the regimes' towards the ethnic groups and the outer world following non alignment policy to remain away from the notch of cold war block, joining forces with its neighbors and coping with mounting condemnation and pressure from western governments over its handling of internal affairs. Although Tatmadaw continued its fighting with the ethnic insurgent along the border line, the ceasefires agreement brought a significant amount of peace in the areas if not a complete federation that they dreamt of.

The three phases of greater transition have brought Myanmar on a very different path that remained very complicated and affected the internal and external relations of Myanmar. Though the transition has freed Burma from the colonial domain but it brought a new setback and challenges within its birth i.e. ethnic civil war. The ethnic civil war became the new face of challenges under different regimes and as such it crippled the prestige and workable situation amongst the leaders. The ethnic reconciliation is probably the biggest challenge facing the nation; its final shape and contours will define national identity (Bhatia:3). The failure to confront the internal violence will seriously complicate the issue of reconciliation and as such these domestic motivation echo a theme that reverberate throughout the different phases of rule. Time and again, Myanmar's internal problem remains molded by the political elite's capability to balance divergent interests represented by the government, political parties and the military. Some crave for democracy immediately, while others do not exactly support it, and certainly for them democracy is not for tomorrow. As such these problems have a direct influence on Myanmar's approach to foreign affairs which remain significantly (and often primarily) shaped by domestic political and economic considerations.

## **THE ETHNIC QUESTIONS AND THE STATE RESPONSES**

Resolving Myanmar's ethnic conflicts remains to be the core of the government initiative to bring peace and prospects amongst the ethnic groups. In order to get the successful result it requires substantial and sustained community participation, and changes in values and identities, including on the part of the Burman majority. Also fundamental to any resolution of ethnic conflict will be a political settlement acceptable to key elements among different stakeholders – in particular to leaders of the Myanmar government and army, ethnic groups and non-state armed groups. This is the issue at the heart of the peace process. The peace process is largely dependent on the resilience of reforms acceptable to all the participating team at all level. However, the government's ability to deliver change is hampered by deep-rooted conservative-authoritarian cultures, and limited technical capacities (South 2012:1)

The ethnic groups have been very desperate to reconcile their differences and find a suitable way to work towards the political and economic stability of the nation. Theoretically the concept of reconciliation has remained embedded amongst all the political elite but in practice it still remains in its nascent stage. Both the government and the ethnic groups have noted the importance of reconciliation, but neither has initiated a meaningful dialogue with the other. Similarly, while the cease- fire agreements of the government with most ethnic groups have remained intact and provided a sphere of friendly gesture, many vital issues, such as the use of ethnic languages as official languages in minority areas, the presence of Tatmadaw in the regions remain unresolved. The military government remained very much absent from the reconciliation dialogue because of the fear of losing the power to the emergent democratic peace process of the NLD and local ethnic groups. As such the supposedly hard-line group (military government) always remained superior to pro-reform group particularly the ethnic groups. These hard liners took control of the country by cracking down on the prodemocracy movement, suppressing the rights and equal status of the ethnic groups and legitimize itself through outlawing or delegitimizing the ethnic and the pro democracy groups.

In calling for a dialogue, both the ethnic group and the military government did not make clear as to how would they move with the reconciliation process. Conceivably, both parties adopted hard-line positions out of frustration over not getting what they wanted. For the ethnic groups the deadlock remains unresolved simply because the military government has discarded their proposal for federation and equal freedom that was acknowledged to them by the Panglong Agreement of 1947. The ethnic minority wanted more political and economic rights and benefits from the military government. For the military government the disintegration of the nation and democratic movement has been the greatest threat to their survival. The unification of Burma has been the sole purpose of keeping the dialogue absent and incomplete, rejecting any movement against the unification and breaking the integrity of the nation. As such instead of seeking a way to work with each other, both sides adopted a zero-sum approach (Hlaing:43).

Looking through the prism of peace process two broad meaning of peace can be illustrated. The first meaning lies in the military government definition of peace. According to them the peace meant only two things for the Tatmadaw leaders. One was acceptance by all opposition groups of the military's prerogatives, including the historical entitlement and the self perceived institutional right of the Tatmadaw to configure Myanmar in line with its uncompromising vision of a unitary nation. The other was acceptance by all opposition groups of the military's operational terms of peace. In short the military government saw the concept of peace process as enforcement of a set of rules dictated by a central state led by the military and subject to its dictates. For their rule, the union of Burma plays a significant factor to their survival and as such the meaning of peace in the context of military government lies in the preservation of union of Burma and recognizing them as the sole authority of the nation.

The second definition of peace comes from the ethnic groups. The sole purpose of these groups is to demand for ethnic equality and equal recognition within the majority Burman. These ethnic groups have carried this notion of peace when dealing with the military government but the government had gradually moved away from the two cardinal foundations of Myanmar historiography: that Myanmar regained its independence through a collective effort by ethnic minority groups; and that the founding

of post- independence Myanmar was based on a formal agreement among several major ethnic groups (ibid:56) to voluntarily form a federated Union of Burma as politically equal founding partners. These two factors are significantly opposed and eliminated with the gradual evolution and instantly the ethnic groups have been left out, curtailed and discriminated by the growing power and authority of the military government.

The two thematic peace prospects present a contradictory and problematic situation in the reconciliation process to subdue the civil war that is constraining the development of the nation. The two thematic peaces need a proper ground to address so as to bring back the glory of the nation. The dichotomous subject of preservation of ethnic integrity on one hand and the gradual discrimination of the ethnic minority on the other hand have simply failed in achieving the reconciliation. The military government and the ethnic groups needs to come to term on the subject of getting away with this internal issues and build a good working atmosphere to address and solve this long indefinite conflicts. After decades of fighting, there is very little trust between the ethnic communities and the government. Moreover with growing and mounting pressure on the military government from all the section of communities, they are ready to negotiate and find a suitable way to end this conflict. The military government and their peace envoys are demonstrably sincere and serious in wishing to find a solution to Myanmar's ethnic conflicts. The government has reportedly in many conflict-affected areas improved the security conditions and greater freedom movement over the past years to demonstrate its commitment to the peace process and to produce concrete results. The inclusion of the Tatmadaw's deputy commander- in-chief and other senior officers in the government's new national peacemaking body is intended to demonstrate the Tatmadaw's commitment to the ceasefires (South 2012:1).

Nevertheless, observers question whether the Tatmadaw is prepared to follow the agenda laid down by the government's peace negotiators as the government and most of their erstwhile battlefields have derailed the initial peace talks. For example, clashes have continued to occur across Kachin and much of central and southern Shan State, even after three rounds of talks with the Shan State Army-South. However, while clashes continue in areas where truces have been agreed, many will continue to question the credibility of

the peace process. Finding a suitable path for reconciliation is not an easy task as it requires finding a suitable political settlement acceptable to key elements among different stakeholders in particular to leaders of the Myanmar government and the ethnic groups. This is the issue at the heart of the peace process.

While ceasefires and Peace agreements between the government and ethnic groups are necessary and have provided a positive space in the relations, they will not be sufficient to achieve lasting ethnic peace. What is required is a deep and wide-ranging national conversation, one that involves members of the Burman majority reassessing their relationships with their ethnic minority groups. Moreover Myanmar ethnic groups are highly diverse which includes local militias with little or no political agenda, as well as more politically mature organizations. Some of these, such as the United Wa State Army-Myanmar's largest non-state armed group – are striving for local autonomy, with their leaders having significant economic interests. Others are more committed to a federalist agenda. These include groups such as the Karen National Union (KNU), historically the country's most important non-state armed group (ibid:1). As such in order to get a negotiable peace process the government needs to address the whole range and the diverse interest of these groups. It is also important to broaden the process, to include political and civil society actors, and communities affected by conflict. Some of these armed groups have engaged in consultations with ethnic civil society and political stakeholders to further promote local participation, mobilization of communities to monitor the ceasefires agreed between the government and armed groups.

In all Myanmar internal problems is characterized by mutual distrust, power struggles over political legitimacy, tension over the use of resources, including gold, gems and timber, over the long history and particularly between the rulers of Myanmar - primarily of Burman background and the frontiers ethnic groups. These varieties of cleavages have led to tensions and confrontations within the state that affect its capacity to create national unity.

Ethnic groups are divided in terms of religion, language, strength, ideology and separated geographically in distant places and as such they regard the protection of their individual languages, customs, culture and natural resources important to their national identity.



This worked to the advantage of the government who exploited the differences to the fullest extent as they believed that a crisis of the minorities - internal conflict among Myanmar's sizable minority communities, which make up one-third of the population - could undermine the country's stability. Gradually under the time and pace of government and their repressive policies, the ethnic and their goals remained diluted over the years from an independent state, to self rule, to limited autonomy, to equal rights and fair share of the income from the natural resources of the state, to peace and development of their state and protection of their religion, culture, language etc. In addition the Constitutional crisis and the implementation of the nation building process with the notion of one religion, one language and one ethnicity further added to the root causes of internal conflict and civil war in Burma.

More basic, however, and further complicated situation to the internal conflict is the problems facing resolution that is not only abstract and fundamental, but nonetheless critical, element in considering cohesion and conflict prevention. The governments are uneasy and reluctant in transferring authority to local or regional entities as Personal loyalties have remained the defining characteristic of power in Burma. But with the gradual shift in the government discourse, the regime tried to consolidate its control over the ethnic minorities. The regime formulated 'autonomy' plans for ethnic minority groups as part of the 'national reconsolidation' process. It devised a program in which certain groups were qualified for self-administered 'zones' and 'regions' according to principles prescribed in the new constitution. This new string of cautious ceasefires and peace agreements with the ethnic groups has gradually shifted the defining characteristic of power.

But the process remained fragile and has failed to stop the clashes. The government lacks a genuine will to listen to the ethnic groups demand for ethnic rights and self determination for their people. The ethnic groups feel that they are dealing with a military that sees the ethnic problem as a military issue, not a political issue. Moreover these plans are about minimizing internal security threats and the regimes own plans for 'national reconsolidation' rather than a politically negotiated outcome for the resolution of long-term ethnic conflict in Myanmar

With time this string of cautious ceasefires have prompted people to wonder whether peace will last this time and what it will bring to participants in the longstanding civil conflicts, how it will affect the regional refugee crisis, and what it will mean for the recent relaxation of restrictions and a more open Myanmar. The ethnic groups want to find long-lasting and durable solutions to the ethnic oppression in this country. Despite faltering peace on the frontlines, rebel leaders from the Myanmar's ethnic armies have noted change in the government's willingness to engage. Thus if the government can control its military, a far elusive peace with ethnic rebels is within reach but still there is a problem. The peace process needs to address the terms and the condition of both the parties; the ethnic groups and the government or as said they needs to come to a viable point from where a genuine peace can be started and worked out to achieve a lasting peace and unity of the nation.

## **CHAPTER-IV**

### **MYANMAR'S ETHNIC PROBLEMS AND ITS IMPLICATION ON CHINESE INTEREST**

The ethnic conflicts in Myanmar particularly in the Kachin and Shan states have been a major issue since independence. There remain many causes to the conflict and amongst them were the unfulfilled promises of the Panglong Agreement of 1947. With time and gradual transition of Myanmar under different regimes it brought the conflicts evolving and significantly changing at variant level. The one time demand for an acknowledgement of equal status towards ethnic minority under Panglong Agreement subtly changed to call for federation and democratic decentralization to protection of ethnic identity of their respective regions. This change in structure of demands and proposals by the ethnic nationalities contradicts with the government proposals of having a unified Myanmar under one authority. The failure of the governments to resolve the issue brought further complication towards ending the ethnic conflicts. The inability to find a reliable path to solve the ethnic conflicts created a collateral damage towards the Chinese interest in Myanmar.

China shares a long border relationship with Myanmar and has a huge interest i.e. the strategic and economic interest particularly in the border regions. The growing interest of China in Myanmar significantly brings a level of importance to the nation and in order to keep the relations going, the Kachin and Shan state prove to be a vital part in this relation. The Kachin and Shan states are the only states that border China and in order for China to carry any relations with Myanmar it becomes imperative to maintain peace in these bordering states. These two states play a dominant, significant and survival role in Beijing's larger interest in Myanmar. China's interest in Myanmar are increasing and ever growing under the Burmese military government of SLORC that took power in 1988. Interestingly at the initial phase of the Sino-Myanmar relations, the ethnic states had little stake over their claims in the larger part of China's policy towards Myanmar. Moreover it rather brought a poignant situation to the ethnic states as Beijing supported the Myanmar

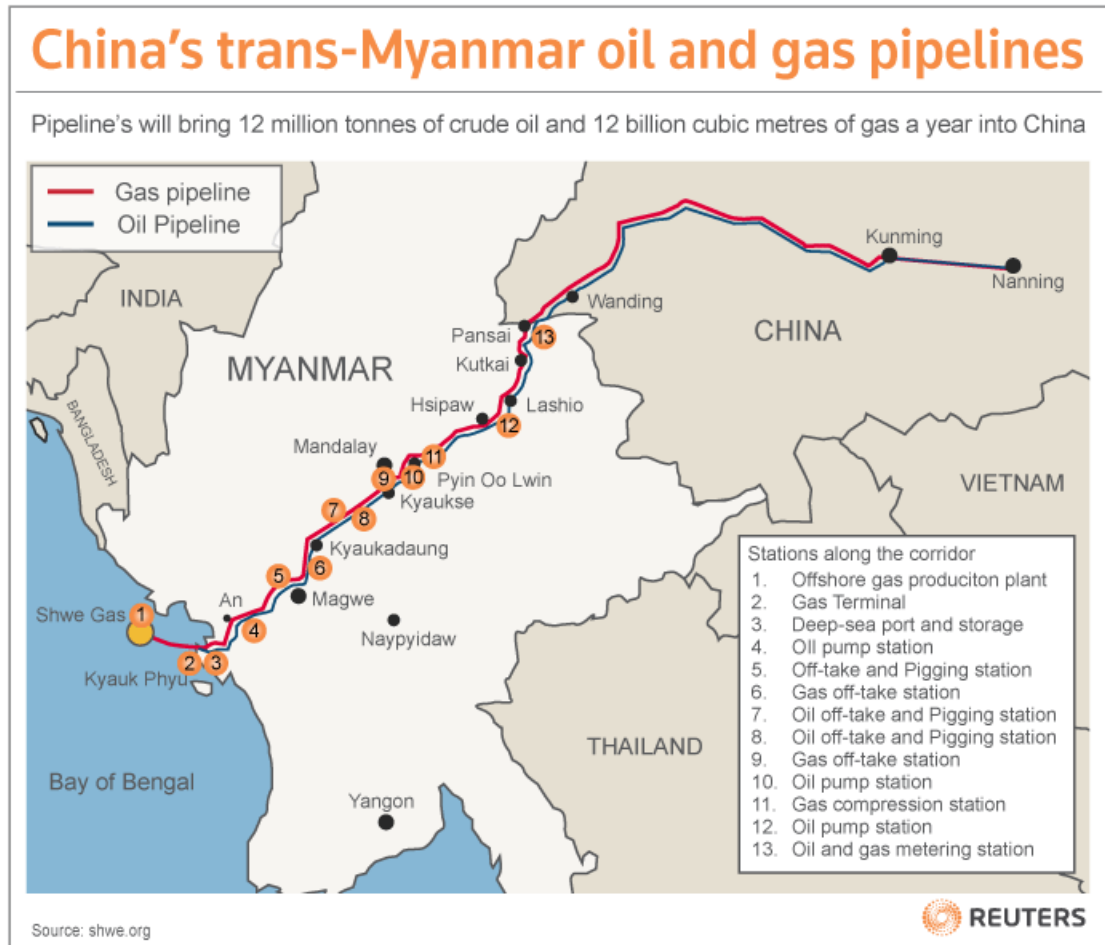
government backed by military and helped to upgrade its infrastructure and provided military assistance. There was a general fear amongst the ethnic groups of being attacked by the military with this new weaponry and silence the ethnic insurgent forces. But with the improvement in the Pauk-Phaw relations, the ethnic states acquired greater importance than before. Myanmar's huge economic assets lie in the border regions and this brings a significant value and importance to the ethnic states particularly Kachin and Shan state alongside the Myanmar government in its relations with Beijing. A multitude of Chinese development projects are scattered in northern Burma of Kachin and Shan States. An estimated 65 per cent of all approved FDI (post-1988) in Burma has gone to the Rakhine, Shan and Kachin States (Transnational Institute 2013:28). Generally, the Chinese investments in this region are on projects that are of large-scale energy endeavors, funded by Chinese state-owned corporations. The Myitsone Dam is one of the enormous hydroelectric power facilities that was agreed to be constructed in the upper Kachin State. It is funded by the Chinese Datang Group and is being built by the China Power Investment Corporation alongside a Burmese government contractor. Another big project, Dapein Dam 1 is one of two Chinese dam projects located on the N'Mai Kha River in southern Kachin State. Its construction began in 2007 and it began producing power in February 2011. There are some other projects that are in operation under Chinese assistance such as the Shweli Dam in northern Shan State and a series of dams on the Salween River in Shan State and along the Thai border. Apart from the hydroelectric energy, China has also constructed two massive Sino-Burma pipelines designed to transport crude oil and natural gas to China via the Burmese port city of Kyaukpyu. As it flows into Ruili and central China, the pipeline passes through China near the Kachin-Shan border in a zone where much rebel fighting continues to take place. The project was constructed as a partnership between the Chinese National Petroleum Corporation and the Myanmar Oil and Gas Enterprise in 2004 and reduces China's reliance on disputed waterways in the South Pacific to obtain and transport its oil. In addition to the energy and hydro power, the ethnic Shan state serves as an outlet to the Western landlocked provinces of Yunnan and its regions. The location of Shan state brings a territorial advantage to China particularly in the development of its land locked provinces. China's rapid path to prosperity have seen expansion of economic ties

between the locals in Yunnan and their ethnic counterparts i.e. the Dai of Yunnan, the Thais, the Laos and the Shan of Myanmar on the either sides of the Mekong river (Goswami 2014:8).

Apart from the important investment, China also made some small investment that can provide sustenance to its people. It had experienced an upsurge of large-scale, unsustainable logging. Chinese companies received official permission from the then SLORC government to harvest valuable timber stands in areas controlled by ethnic armed groups becoming one of the most high-profile investors in the timber sector. Many logging concessions were in areas of Kachin and Shan state, wholly or partially controlled by armed ethnic groups rather than by the central government. Jade production in Myanmar is another investment that China is putting its money. The majority of jade in Myanmar is found along the western edge of Kachin and centered around the remote village of Hpakant. Kachin is also regarded as producing some of the highest quality jade in the world.

In all, the ethnic states of Kachin and Shan play a pivotal role in the sustenance of Beijing's interest in Myanmar. The richness and presence of natural resources and the economic competence acts as leverage for China to invest in Myanmar. The extensive investment made by Beijing generally brings the ethnic state at a focal point in carrying the development perspective. For any smooth development to carry on there has to be a peaceful and working environment. However, such an environment is missing when we look at Kachin and Shan states of Myanmar. These ethnic groups are in confrontation with the government over their demands for equality, federalism and ethnic identity. The ethnic groups are in long civil war with the government over their demands and though the government had tried to bring a general unity amongst them under ceasefires but it failed as fighting continues in these ethnic states. This gradual and unsuccessful attempt to bring the whole ethnic groups under one voice greatly dismantled the peace process equation and the ethnic states are in frequent clash with the government making it clear that Beijing will face a stiff resistance and setbacks in carrying their investment project in the regions.

Map 2: China's Trans-Myanmar Oil and Gas Pipelines

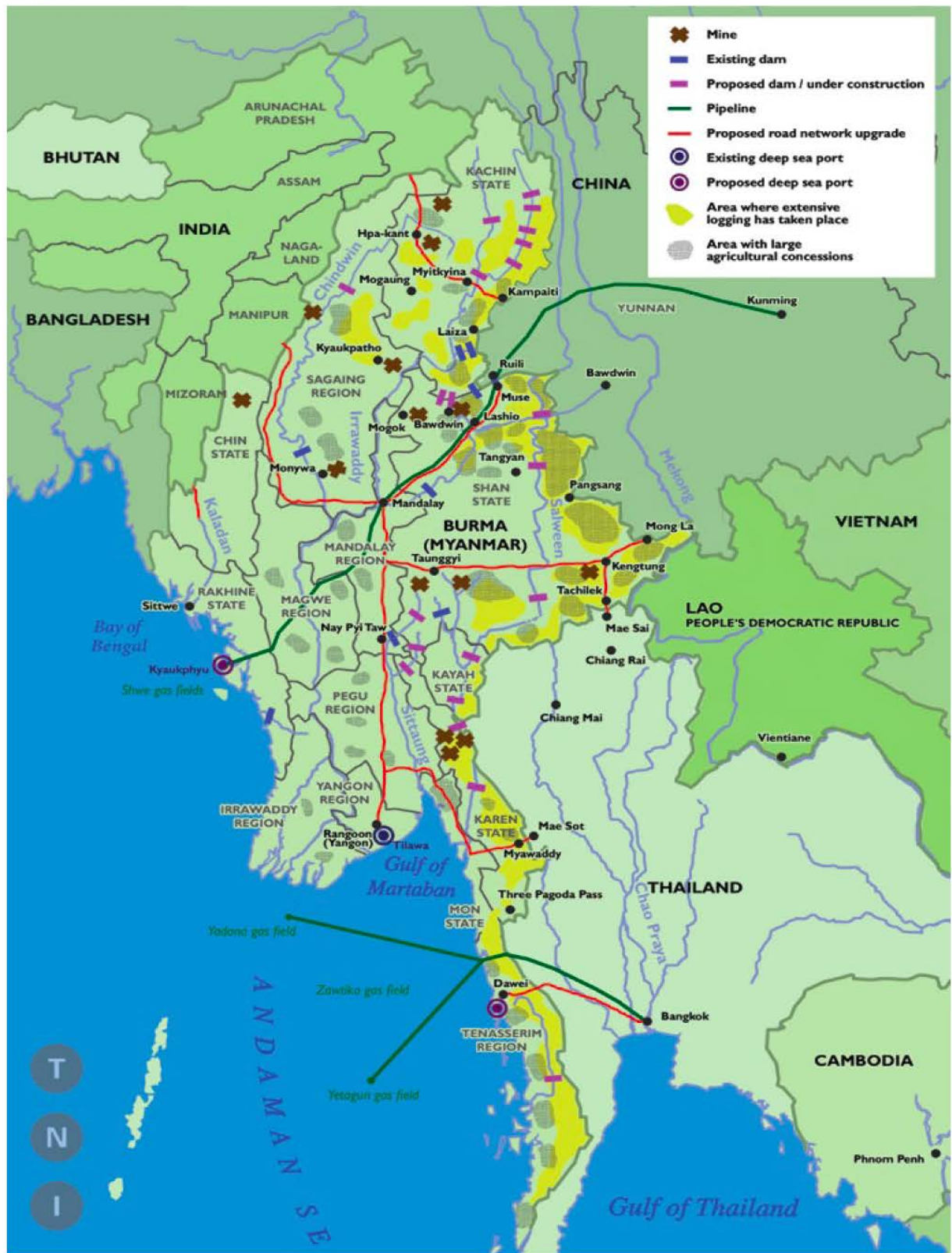


Reuters graphic/Catherine Trevethan

01/02/10

Source: www.shwe.org

Map 3 - Investment in Burma's Borderlands



This map gives an overview of the approximate locations of the major investment projects in Burma's border regions.

Sources: <http://www.tni.org/work-area/burma-project>

One of pressing setbacks that concern China is the Kachin Armed Group, the Kachin Independence Army (KIA) demanding autonomy for Kachin state within a federal Myanmar. They have been on a ceasefire for 17 years with Nay Pyi Taw, which was, however, shattered in June 2011 after a series of clash with the government. This brought a general fear amongst the Chinese and its investor due to the presence of KIA proximity to the Chinese border and recent investments in Myanmar. The Kachin state possesses major infrastructure projects such as the now suspended Myitsone dam. The KIA has also seized control of the large areas designated for the Sino-Myanmar pipeline project in the adjacent Shan state where there are big Kachin populations. As the ethnic groups are in struggle with the government, Beijing feels the ethnic groups will seriously take the issue of Chinese investment as a part of their demands to the Myanmar government. Apart from Kachin, Shan states are also demanding secession. Since the military government is reluctant to meet their demands it becomes a significant risk factor to the Chinese investments projects. The most important Chinese investment i.e. the oil and gas pipeline runs through this volatile areas and general concerns amongst the Chinese investors is that the failure on the part of the Myanmar government to resolve the issue might pose a threat to their projects.

China faces a mysterious dilemma in the ethnic state of Kachin and Shan where it does not want to rub the ethnic groups the wrong way by supporting the Myanmar military fighting the ethnic groups. On the other hand, China wants to maintain good relations with Myanmar. This unenviable position is largely driven by China's big interests and investments in energy and resources in Myanmar and Kachin and Shan state in particular. In order to curb these problems, China's active role in the KIA/government negotiations gives China the leverage to influence the outcome in Beijing's favor. Moreover China wants to keep on good terms with the Kachins, who share ethnicity with minorities in China's Yunnan province. Beijing also holds a significant part in its relation with the Shan ethnic groups and maintains a tie with the earlier Communist Party of Burma (CPB) members from the Wa and Kokang ethnic groups over to the present day (Goswami 2014:7). The Wa's United Wa State Army (UWSA) and Kokang's Myanmar National Democratic Alliance Army (MNDAA) both occupy border areas between Shan state and China. From many reading it says that a lot of weapons are smuggled into Myanmar from



China and many of such weaponry are possessed by the ethnic groups of UWSA and MNDA. As such China objective with time appears to be contradictory while publicly supporting Myanmar government but privately supporting rebel forces of the ethnic groups as they have a huge investment at stake in the regions.

With new political system and reforms in Myanmar beginning 2010<sup>1</sup>, it created more space for civil society bringing more complication to China and its investment projects. Local organizations were able to engage with the government on key policy issues relating to foreign investment, including on the environment and land rights, and provide analysis and policy advice. This gradually brought a wide range of informal groups, emerging grassroots networks and formal organizations in setting up new parameters and threats to the environment and livelihoods in Myanmar's border regions against the foreign investment projects. Key demands from local communities and the organizations representing the ethnic groups brought a growing public pressure against the government and unexpectedly announced the suspension of a large Chinese-led hydropower project in Kachin State on the note of significant social and environmental impacts on nearby and downstream communities. This was followed by the suspension of Letpaduang copper mines and other investment projects such as massive Dawei Special Economic Zones (SEZ) on Myanmar's southern coast. The copper mine in Monywa in Sagaing Region also received a protest against the backdrop of people complaining of land grabbing, health concern, livelihoods and environmental consequences of the proposed development. With the gradual process of increasing civil society under new political system there was a rise in anti-Chinese sentiment in all sections from the investment project to the development assistance that was pouring in from Beijing. There is now widespread solidarity across civil society against investments in large-scale resource extraction that harm the environment, instigate land grabs and are detrimental to local populations and their livelihoods. A substantial amount of Chinese investment is located in Kachin State and northern Shan State, where the conflict has recently flared up. Public expression of these grievances in the local media has focused on Chinese investment

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<sup>1</sup> Thein Sein came to power in 2010 and initiated a clear desire to bring democratic freedom in the nation. He brought a gradual change in its reform policy in the direction of democracy that Burma has not seen in decades. He relaxed media censorship, legalized the right to unionize, and allowed members of the opposition to compete for office.

projects, which has spurred Chinese investors and government officials to review their investment practices in Burma. Given the nature of the government and its peace building proposals it contributed little to the reconciliation process; it further decreased the possibilities for solving the ethnic problems bringing a chaotic situation in ethnic states. This in turn brings significant risk to the Chinese investment and projects in Myanmar and particularly in the ethnic states.

### **BELJING'S OBJECTIVE IN MYANMAR**

The Chinese interest in Myanmar has always been crystal clear, as they project to the geographical logic and economic objectives as their policy objective for the rising China. Its primary objective in Myanmar is to establish stability along the border it shares with Myanmar in order to preserve its own domestic stability and to control the flow of refugees, the spread of health problems, and trade of legal and illegal goods, secondly it seeks to participate in development and construction opportunities, both to benefit economically from Myanmar's burgeoning economy and to strengthen its connectivity to South Asia and the Indian Ocean and the development of its southwestern and land locked province, thirdly to develop a good and viable mode of economic cooperation between the two countries. These policy objectives are kept in mind and carefully nurtured in the process as Beijing desires to develop peacefully in its relations with Myanmar and wants to avoid any complication. China has established key relations with Myanmar in the last decades and has build a huge investment projects and development assistance in Myanmar as a part of its larger role in meeting the economic needs and resources, to eliminate poverty and to bridge the economic gap between China's coastal and western landlocked provinces. In addition China have excessive reliance on the Malacca strait with 60-70 per cent of its oil shipment going through and as such two threats emerge from this: first, piracy and maritime terrorism; second, influence or dominance of other powers over the strait. This has led China to increase its presence in the region by developing special diplomatic and strategic relations with Myanmar.

#### **(In) stability along the Sino-Myanmar Border Areas**

Beijing always wants a peaceful and stable neighborhood in its process for development. But the development with Myanmar tends to be opposite especially when it comes to the

border areas. China and Myanmar have a long boundary of 2000km and the presence of this borderland falls under independent ethnic minority groups in the North and North East border regions of Myanmar. The presence of independent armies at the check point brings potential instability that could spill across borders creating instability along the border areas. The potential reason lies in the political and complicated transition of Myanmar following independence. The prolonged civil war between the ethnic groups and the government, their unfulfilled demands and government's severe repression have brought problems in the border areas of Myanmar that remains frequently tested by the insurgent's activities; bringing chill and complication in their relations with China. At the other end of the border, the Chinese have a greater importance with the region itself and as such many Chinese officials realizes that the continued failure of the government to deliver basic economic development and social progress to its people could undermine both Myanmar's stability and China's ability to advance its own economic blueprint (ICS 2009:7).

The overall impact of the ethnic insurgent activities brings Beijing's security strategy to focus on protecting the long unstable borders. There are around 135 different ethnic groups in Myanmar, some with cross-border links with the same ethnic groups of Yunnan tied under ceasefire agreement under which they enjoy some degree of autonomy over their regions including most of the border areas between China and Myanmar. China's border security, therefore, remains linked to Myanmar's ethnic politics.

In addition there emerges another problem from the non-traditional security threats that poses further problem in its diplomatic relations. The 2000 km frontiers regions of Myanmar has long been known for its lawlessness and drug trafficking. The ethnic groups of Myanmar and some of the independent armed insurgent groups such as UWSA engage in drug trade (Lintner 2012: 222) where the drugs refineries are conveniently located near the main growing areas in the northern part of Myanmar. Equally important they are close to the rapidly growing Chinese drugs market and seemingly easier routes through Yunnan to the outside world. The rise of such non-traditional threats poses a challenge to the good diplomatic relation in the Pauk-Phaw relations.

## **Development of China's Southwestern and Land Locked Provinces and Access to Indian Ocean**

Myanmar shares more than 2000km long borders with China. The general and the specific reason for the Beijing's interest lies in the opening of its Southwestern and landlocked Provinces southwards benefitting from the geographical position of Myanmar. Myanmar occupies a critical part on China's southwestern flank as it is situated very next to China's densest concentration of ethnic minorities in Yunnan.

Yunnan has always been China's backwater. Its remote location, harsh terrain and diverse ethnic make-up have made it a difficult province to govern. For centuries it was considered a backward place inhabited by barbarians. It remained an isolated frontier with scattered Chinese garrisons and settlements in the valleys and basins, a mixed aboriginal population in the highlands and various minorities along the Mekong River (Lubina 2012).

Since the launch of the Chinese Communist Party's 'Open and reform policies' in 1978<sup>2</sup>, it brought China's economy at a rate and scale that was unseen in the history averaging more than 8% growth over almost three decades. But the benefits of this policy failed to bring an equitable development as the economic progress remained unevenly distributed with China's coastal region growing faster and receiving more overseas investment and benefits than the landlocked Western and Southwestern China. Thus owing to this reason, although Yunnan possesses rich natural resources and the geographic advantage of access of the Southeast Asian market, the province was in a poor state and stayed underdeveloped for a long time.

For the Chinese government strategic thinkers, the need to narrow the gap between rich and poor, East coast and interior became a top priority with the beginning of 2000s. The goal was to make sure that local minority groups from the landlocked provinces stayed

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<sup>2</sup> It refers to the program of economic reforms that was started in December 1978 by reformists within the Communist Party of China (CPC) led by Deng Xiaoping. The reform brought and introduced market principles which were carried out in two ways. The first stage which began in early 1980s involved opening the country to foreign investment and the second stage in the late 1980s and 90s involved the privatization, lifting price controls and protectionist policies and regulations.

happy and felt they were benefiting from China's economical progress. The answer to this problem was to bring capital and resources and it worked. The massive development and investment in the infrastructure and commerce followed bringing substantial changes and development.

The other part of the development story of the Southwestern and land locked Provinces especially Yunnan was to make Yunnan China's gateway to South Asia and Southeast Asia and as a new regional hub. Yunnan has a boundary line of 4060kms bordering Myanmar, Laos, and Vietnam in the West and in the South. It is also close to Thailand, Cambodia, Malaysia and Singapore and some other South Asian countries such as India and Bangladesh. Based on these conditions, Yunnan is the bridging gap and a passageway that connects China to South Asia and Southeast Asia. It was within this framework and more importantly the 'going out policy'<sup>3</sup> of Beijing that China started to increase its domestic and foreign investment in the land locked provinces. Beijing wants to revive its Yunnan and South Western province in the context of land bridge connecting most of the ASEAN countries and the West. The link up with Myanmar could help to develop the poor economies in the Southwestern part of inland China to trade with the growing economies of Southeast Asia and India. Furthermore, with Myanmar, Laos and Thailand, China can form a sub-regional grouping for economic cooperation and could promote trade southward using Myanmar as a land bridge, linking China's inland provinces with the rest of Southeast Asia (Shee 2002:35). The linkup between China's Southwestern Provinces and the mainland Southeast Asian states can thus mitigate the gap of economic disparities between China's affluent coastal and its poverty stricken Southwestern inland Provinces.

With the development of Yunnan through the land bridge, Myanmar also provides an essential element of importance to China's access to Indian Ocean. Located between China, India, and other ASEAN nations, Myanmar is China's best shortcut to the Indian Ocean. A core objective of China's policy toward Myanmar is to establish a strategic

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<sup>3</sup> It's the People's Republic of China's strategy to encourage its enterprises to invest overseas in economic, political and cultural sectors.

route from Yunnan province in Southwest China through Myanmar to the Indian Ocean. This route is expected to include a comprehensive set of road, rail, and air connections as well as water, oil, and gas pipelines which will be crucial to the economic development of Southwestern China (Chenyang 2010:114). Beijing is desperate to forge a link to the Indian Ocean that will give it unimpeded market access, more direct energy supply lines, and the option of bypassing the dangerous Strait of Malacca. More importantly China has a very important security strategy in its attempt to gain promising land access to the Indian Ocean. Myanmar's location at China's Southwest holds strategic importance for the People's Liberation Army Navy (PLAN) in terms of its reach to the Indian Ocean via Myanmar controlled islands. The PLAN would be able to shorten its distance by avoiding the Strait of Malacca to reach the Bay of Bengal (Sinha 2009:1).

### **Economic Cooperation**

Since the beginning of the 21st century, the Sino-Myanmar relationship has centered on China's economic development and, correspondingly, the country's overwhelming need for energy and commodities. China's quest for economic cooperation provides a strategic opportunity for Myanmar with its crucial source of natural resources which remains untapped. In addition Beijing's dependence on Myanmar resources provides an equal opportunity for Myanmar to open its economic and development prospect to the outside world.

Since 1988 with the coming of new government in Myanmar i.e. under SLORC, the Sino-Myanmar relations reached a new height. The new government dropped its autarkical policy of its previous regime, opening up to the outside world with its untapped natural resources, credible market and commodities starting with China. The opening of the Myanmar economic and development opportunity gave Beijing the greater advantages that were in search for reliable and resourceful partners to sustain its growing population and economic development. The post 1988 thus brought a greater interdependence between the two nations. For China this cooperation is a major boost and significantly an important achievement since its policy of 'Go West campaign' to look for viable partners in the world.

Myanmar is a crucial source of natural resources. Beyond natural gas, Myanmar is rich in hydropower, timber, gems, jade, nonferrous metals, and arable land. With a vast territory of more than 670,000 square kilometers and a population of more than 50 million, Myanmar is also an important destination for exports and direct investment. This viable condition brings China and particularly the economic integration as a key part in mapping the bilateral relations. With Western sanctions on Myanmar still in place and relying on the 'Going Out policy' to spend its massive foreign exchange reserves, Beijing views itself as poised to jump in and fill the void. As a part of the official sanctions, all business and trade development aids with the Myanmar was stopped making any moves towards greater economic reforms much more difficult (Myint-U 2011:69). Outside money simply dried up and under such circumstances China was the only one that stood behind Myanmar. For China, it obviously became important to be able to benefit from a credible leverage in the country who became economically isolated by the western sanctions. China took the advantage of the western sanction and began improving its relations with Myanmar from 1980's which went from strength to strength.

The post 1980s hence presented a significant and important change and predominantly the economic cooperation in the Sino-Myanmar relationship. Beijing enjoyed a considerable head start in the race to woo Myanmar's military leaders making Myanmar China's closest ally in the Southeast Asia. Myanmar was provided and probably became the major recipient of Chinese military hardware and potential springboard for projecting Chinese military powers in the region, providing with all the credit for military and other purchases estimated to be over billions dollar capital investment. With the investment in military, two countries also signed an agreement establishing official trade across the common border which was a first such agreement for isolated Myanmar with a neighbor. Significantly, the signing took place while Myanmar was in turmoil. Soon after the opening up of the border trade in 1988, China appeared in trade statistic as a major supplier of commodities and goods to the Myanmar economy. The increase as a major supplier was reflected in the huge inflow of Chinese economic cooperation and commercial loans (Kudo 2006:10). China provided generous government support,

preferential loans and economic assistance in the form of grants, interest-free loans, concessional loans or debt reliefs but significantly this economic assistance was provided to protect its own investment in the country and influence the Junta and ethnic groups on their sides to pursue economic trade with Myanmar (Tea 2010:7).

The good start in the economic cooperation that began in the post 1980s significantly reached a further height with the beginning of 2000s that brought the two nations more closely than ever before. With the development of Chinese economy, the demand for energy sources had also greatly expanded, understandably drawing its attention to the Myanmar's oil and gas reserves and its presence in Myanmar's oil and gas fields that had only been observed. It can be found out from various reading that the expansion of Chinese foreign aid or economic cooperation is generally motivated by either to secure a favorable environment in the neighbors particularly the stability of its border post or to secure natural resources and energy in particular for the Chinese economy to grow. Under both the criteria Myanmar comes as a suitable partner.

With the development of oil and gas reserve in the offshores of Myanmar, the post 2000 brought a more cooperative role in the Sino-Myanmar relations. The China's National Offshore Oil Corporation (CNOOC) signed six contracts on production sharing with the Myanmar Oil and Gas Enterprise (MOGE) of the Ministry of Energy, from October 2004 to January 2005. The China Petroleum and Chemical Corporation (SINOPEC) and its subsidiary Dian Qiangui Petroleum Exploration also began to operate on the inland fields. Moreover, the China National Petroleum Corporation (CNPC) and its subsidiary Chinnery Assets were also awarded contracts to upgrade the four old oilfields in central Myanmar (Geng 2006). These companies brought million of dollars as a total foreign investment in Myanmar's oil and gas sector. Similarly in April 2007, the Chinese National Development and Reform Commission approved an oil pipeline linking Myanmar's deep water port at Sittwe with Kunming. This pipeline would allow an alternative route for China's crude imports from the Middle East, reducing shipping time and its dependence on traffic through the Straits of Malacca (Zhao 2008:186).



Along with the economic cooperation, in the field of energy reserve Chinese companies also brought many infrastructure projects financed and constructed by the Chinese Government and Chinese enterprises, particularly the electric-power generation and transportation projects. In the period between 1996 and 2005, Chinese companies constructed six hydro-power plants and one thermal power station, the installed capacity of which constituted about one-third of the entire national capacity (Kudo:98). The Chinese companies have also outbid the Myanmar government in the construction of transportation highway particularly the Ayeyarwady Transportation Project, which provides a transport line from Yunnan Province to Thaliana Port near Yangon. With the completion of this project Yunnan Province will seek a direct route through Myanmar to a seaport from which it can export products to South Asia, the Middle East and Europe. Such an outlet would reduce transport costs and time and would bypass the Malacca Strait in the event of a conflict in the South China Sea (Geng 2006).

In all, China objective is very clear from its border stability to economic cooperation to the development of its landlocked provinces. To pursue its objective China has significantly brought every step that it can to bring peace and friendly tag in the relations. China is of the intention that they are significantly a positive rather than negative factor in ensuring stable Sino-Myanmar relations. Though China has remained a staunch ally since 1988, it is concerned about Myanmar's long-term political and social stability because of a failing economy and lack of political legitimacy.

## **PROBLEMS AND DIFFICULTIES**

China's relations with Myanmar provides a very specific and strategic meaning; primarily because of the strategic location of Myanmar at the Southwest of China which plays a strategic role in China's pursuit of regional, economic, political and social stability. Beijing interest in Myanmar has subtly varied from energy procurement and energy security and access to the Indian Ocean to the security of the border areas and border trade. These interests have its significance at both the local and national levels in its relations with Myanmar. Ever since then Sino-Myanmar partnership had grown rapidly extending from military aid and assistance to the economic and energy cooperation to an expanded movement of people between the two countries. The

partnership had significantly benefitted both the nation where Chinese investment makes it the largest investor in the country and at the other end Myanmar benefited from the valuable resources economically bringing greater income to the nation.

Since the bilateral relationship provided a significant benefit factor to Beijing and Nya Pyi Taw, Beijing now wants to maintain stability in its relation for a long time. Beijing have increased its influence in the region by outbidding all other players, by paying higher prices, engaging in construction of necessary infrastructure at its own cost, providing financial supports to uphold Myanmar government and as a political umbrella in the international community. Beijing and Nya Pyi Taw have expressed satisfaction over the deepening of its bilateral relations which have rapidly grown and gained momentum. But there remain some wrong calculations and problems in the relationship. China has now and then resorted to occasional statements expressing its concern about Myanmar's changing political reform and ineffective policies which had dire consequences on the Chinese interests. At the Beijing's side its policy of pursuing relations had spawned negative perceptions among various politically relevant grassroots communities in Myanmar. From controversial investments that had a negative impact on the social and environment to single minded efforts to protects its commercial interests, China have become a part and parcel of many of Myanmar's deep seated problems (Berger 2013).

### **Strategic and Security Concern over Kachin Conflicts**

The strategic and security concern present another problem to Beijing. The most important security that is concerning China is to keep the Myanmar government and regional Kachin forces from joining the "encirclement of China" policy of the USA , as perceived by Chinese strategist (Tsin 2014:2). The Kachin conflict has been a policy challenge for both China and United States. For China, border tranquility, the protection of Chinese investment and the prevention of expanding US influence are the top three considerations for all border regions (Sun 2014:3). The conflict in the Kachin state has disrupted China's border security and jeopardizes its economic investment in the region. For the United States, it recognizes that success in achieving nationwide peace and

reconciliation in Myanmar is the defining challenge of United States policy towards Myanmar. This has led to the “internationalization of the Kachin conflicts” making it China’s gravest policy concern in Myanmar threatening China’s geo strategic interest and border security (ibid: 3). China held the importance of the Kachin state in their larger picture and wants to prevent it from the influence of the United States. For the Kachin history, Kachin rangers during World War II fought on the side of Allied Powers especially the US military operating out of Assam, a fact which later brought Washington’s ear for assistance. China takes this notion of presence of United States in the Kachin state as a troubling scenario which could smack the stability of borders (Goswami 2014:5). As such Beijing wants to take an active part in Kachin case so that the investment projects are carried on smoothly.

China has a strong interest in deescalating the ethnic conflict particularly the Kachin conflict that may seriously affect China’s influence in Myanmar and its direct access to Indian Ocean, the stability of border region and major infrastructure project in the border. Beijing wants to make sure that it can work with the Myanmar government and ethnic groups’ leader to pursue and safeguard China’s strategic and economic interests. As China’s interest in Myanmar expands, the major factor that constrains Beijing is the credibility and maneuverability of Beijing’s involvement in the Kachin peace process which will remain in place for the near future or even grow in importance. Hence in an unprecedented departure from a policy of “non-interference in internal affairs,” or the Beijing doctrine in popular parlance, China intervened as third party by bringing the two sides (Myanmar government and the KIA) for talks during two successive rounds of negotiations in the Chinese town of Ruili in Yunnan province (ibid:4). During the talks, China not only provided the venue, but also explicitly guaranteed the security of all participants. On the substance of the talks, China played a quiet, behind-the-scenes role of coordinating and mediating under the guidelines of persuading for peace and promoting dialogue. China’s presence in the dialogue was the most important factor in the development and success of the peace talks

Nevertheless, China's intervention reflects multiple considerations of China's own national interests. First, the Kachin conflict has imposed tremendous pressure along China's border, resulting in economic disruption, political disturbances and rising dissatisfaction regarding Nay Pyi Taw's careless military actions among Chinese citizens. Secondly the persistent Kachin conflict threatens the security and profitability of Chinese investments in the regions. Apart from the national interest concern, some strategist and thinkers believes that the probable cause for the China's intervention in the Peace dialogue lies in the fear of West and its changing role towards Myanmar. As Washington grows increasingly wary about Myanmar's ethnic conflicts and their impact on the country's future, there were voices from within the United States and other ethnic groups calling for US intervention and mediation. This scenario was particularly troubling for Beijing as such a move would further enhance the US role in Myanmar politics; potentially insert a US presence right along China's border in an area critical for Chinese pipelines and other strategic interests in South and Southeast Asia (Sun 2013).

Hence China's intervention in the peace dialogue brings a new case as prior to it China has refused such a role in the past, fearing it would be perceived by Myanmar as interference in its internal affairs. But this time it has a significant interest at stake and is willing to demonstrate some flexibility in getting the peace process from getting worse.

### **The Problem of Ethnic Issues and Insecurity**

Myanmar comprises of more than 135 ethnic groups, some with cross border link to the other side of border. Most of the ethnic groups are under ceasefire agreements with Myanmar government and are enjoying some degree of autonomy over their regions, including most of the border areas between China and Myanmar. But the ceasefires are no guarantee towards ending the long civil war. Although the ethnic groups are under the ceasefire agreement with the government they remain subjugated and suppressed under the draconian rule and have struggled for their basic rights. The representation of ethnic groups and their struggle for the equal rights have brought a series of complication with the government and more particularly to China and its border security.

China has a huge economic investment in Myanmar and lies particularly in the volatile regions of the ethnic areas where the ethnic groups are in conflicts with the government over the demands for federal union and reconciliation process. Beijing's important economic investment like Myitsone dam and oil pipeline running from Indian Ocean coast to Kunming, the capital city of Yunnan province, run through the volatile ethnic regions which are mostly under the control of ethnic insurgents. As the ethnic politics are under severe dilemma over the course of their demands it creates a tension and risk to the Chinese investment. The fractured ethnic map of Myanmar thus remains a significant risk factor for much of Myanmar's unexploited natural resource wealth and several Chinese invested infrastructure projects.

As the investment projects are at risk, Beijing even followed the cautious line on its policy to avoid the possible sabotage. Beijing had a strong interest in deescalating the ethnic conflicts particularly the Kachin conflict that may seriously affect China's influence in Myanmar and its access to Indian Ocean, stability of the border region and sizeable flow of trade, investment and resources across the border. As such Beijing wants to make sure that it can work with the Myanmar government and the ethnic groups to pursue and safeguard its strategic and economic investment. Since the China's interest in Myanmar keeps on expanding, the major factor that constrained Beijing's is the problem and failure of ethnic politics and reconciliation process. As the ethnic groups especially the Kachin and the Shan state borders China, conflicts along this periphery may be problematic for the China's interest in the near future. This brought Beijing's into direct involvement as a mediator in the peace process between the Myanmar government and the ethnic groups. The response of Beijing in this act had its own significance; its desire for border stability and economic safety reflecting multiple consideration of China's own national interests'. The involvement of Beijing in the peace process gradually brought a reliable path for peace process dialogue and the conflicts have largely remained amassed within the boundary of peaceful settlement. Since Beijing have a significant importance in the ethnic regions, it has carefully juggled the balance of power between the ethnic groups and the Myanmar government so as to ensure that neither side gains the upper hand in dealing with the issues and preventing it from gaining full autonomy (ICS

2009:14). China opposes such precedent as it fears that this would stir up its nationalist sentiment among groups on its side since most groups along the border areas of China and Myanmar are related such as Shan and Yunnan's Dai people, the Kachin and Yunnan's Jingpo people and the Wa on both side of the borders (ibid:14). As long as the conflicts take place and China significant interest at stake, Beijing seems to be willing to demonstrate some flexibility, to experiment and to adapt to these problems.

### **The Development of Anti-Chinese Sentiment**

Myanmar political transition and the ethnic politics have brought a significant strain in the Sino-Myanmar relationship. The nation that once appeared as a rock-solid in the partnership is now facing with anti-China sentiment among the grassroots in Myanmar. A flare-up of resilient hostility toward China among its neighbors have infected Myanmar, where Chinese companies and its economic assistance are either call as unbridle expansions or objection for illegitimate claims. At a popular level, anti-Chinese resentment abounds where they felt the Chinese had trampled over local interests, propped up the unpopular military regime and pillaged the country's natural resources.

The political transition of Myanmar brought with them the liberalization of rules, freedom to strike work, form unions, stage demonstrations and protests and as such there emerged a public display of anti-China sentiment. Although the anti-China sentiment in Myanmar was there at the people's level for a long time but it failed to come up to the surface because of the harsh and draconian rule of the government but with new rule and new policies beginning 2010 the feeling of anti-Chinese pervaded into all levels of community. Myanmar's political transition complicated a previously cozy arrangement between two governments. Hostility to China at all levels of society and unresolved ethnic tensions in Myanmar have focused popular anger on Chinese investments, seen as symbols of the continuing power of Myanmar's military and its crony business partners. Tensions resulted in a sharp drop in Chinese investment and have forced the Chinese government to demand more responsible behavior from its overseas companies.

The new government of Thein Sein stimulated by elite concerns felt that Myanmar had become too dependent on China. His government's reform programme therefore sought to balance Chinese influence with Western investment and political relations. At a popular level China is perceived as having ridden roughshod over local interests, supporting partnerships with Myanmar's unpopular military.

Two important infrastructure projects of China became a touchstone for this popular unrest. The 6,000-MW capacity hydropower plant at Myitsone and the Letpadaung copper mine near Monywa in north-west Myanmar are important Chinese projects (Hilton 2013:3). The development of these projects have brought a significant risk factor and anti feeling and ethos among the local elite groups. The Myitsone dam was a huge investment project that could bring electricity for the landlocked provinces of Yunnan and southwestern provinces. As almost 90% of the electricity from this project would electrify China it became a problem in the development of the projects. As the new government promised a gradual reform and friendly policies in its new regime, President Thein Sein suspended the projects amid widespread popular unrest, citing specific concerns about the dam: the threat to the natural beauty of Myitsone, which is a site of national importance in Kachin State; the risk of flooding to villages in the upper reaches of the Irrawaddy River; the risk to private rubber and teak plantations; the potential consequences of flooding or an earthquake in the dam region; and the environmental impact on the Irrawaddy itself (ibid:4). The suspension of the dam came as a surprise and it rebuked Beijing towards the attitude of Myanmar government.

The Letpadaung Coppermine project was another difficult one that brought a notable adjustment in Chinese attitudes towards Myanmar. The local elite have continuously raised the problems of land grabbing, inadequate compensation, and migrant labor instead of employing locals, environmental damage and lack of social, cultural and educational amenities from the projects. The episode illustrates the difficulties in trying to repair a damaged relationship around immovable assets such as mines. Operations at the mine remain suspended against the belief that the Letpadaung will continue to be affected by local hostility for the foreseeable future.

The perceptible shift in the Myanmar attitude towards China with the growing anti-Chinese sentiment and the liberal policy of government like the suspension of Myitson dam brought a significant factor of risk and thaw in the relationship. Since the beginning of the reform, the changes in Myanmar have taken tolls in a series of China's existing interests inside the country. Economically, Chinese investments have come under increasing scrutiny, criticism, and even oppositions, threatening the viability of strategic projects such as the oil and gas pipelines. Despite such China did not anticipate the dramatic political reform. In China's analysis, they feel that this incident of the new Myanmar government would be only "marginally and negligibly different from the previous government" and after its legitimacy was strengthened by the elections, Nay Pyi Taw would "embark on a long journey of slow political changes and economic reforms (Sun 2012:58). As such China have push aside all the differences and launched massive public relations campaigns inside Myanmar aimed at improving its image and relations with the local communities (ibid:51).

Overall, China has a very important interest in Myanmar and it can be seen by the amount of development and the economic assistance that were provided by the Chinese government and the companies towards Myanmar. The Myanmar governments too benefitted from the economic assistance from Beijing which helps them to uphold their stagnant economy from getting collapsed under the western economic sanctions. With the coming years the economic and the development assistance gradually brought good term between the nations where each dependent on the others for all. But the problems still existed. The ethnic politics in Myanmar failed to reconcile the ethnic groups and the government on positive terms leading to civil unrest and internal conflicts. The conflicts brought a series of complication and became an impediment to Sino-Myanmar relations. The huge investment projects and the development assistances that were in process began to receive negative remarks from all the sections of the society and ethnic nationalities who see this as the viable options to meet their demands from the Myanmar government. The ethnic groups feels that the huge billions of investment and assistance that Myanmar government receives from China in a way significantly answers to the regime survival



and the only option to meet their demands fulfilled was to either hamper or bring obstacle in the investment projects since most of the projects are located in the ethnic border areas. The plan of bringing an obstacle to Sino-Myanmar seriously was effective as the government began to answer the questions of the ethnic groups though not fully on their political demands. The new government of Thein Sein cancelled the Myistone dam projects and suspended the Letpadaung Coppermine projects bringing a series of positive side to the ethnic questions. But all together this is not the end as there is still a long way and for China it was just not the end as they feel that it might be temporary dilemma knowing the fact that Myanmar has become a pivot to China and it was hard for Myanmar to resist the fact that the internal problems are creating a thaw in its relation with China.

## **CHAPTER-V**

### **CONCLUSION**

The internal conflicts in Myanmar has been there since time of its independence and the causes lie in the deep perennial contestation over the subjects of freedom from subjugation, demand for federation and democratic decentralization on the line of Panglong agreement of 1947, equity and respectable status amongst the people of the frontiers area to that of ethnic Burman of the central Burma. Although the ethnic resistance movements in Burma lies deeply rooted to the colonial legacy and their discriminatory policies that brought the ethnic differences and discrimination against the modernizing and unification of the state. With the independence the call for state formation and nation building to meet the diverse challenges brought the leaders to their different notions of proclamation of independence. Since Myanmar gained independence from British colonialism in January 1948 its history was then intertwined with the issues of postcolonial state building. While the immediate response of the freedom was the establishment of parliamentary democratic system in which the rule of law became an important parameter for keeping the system working but it failed to answer the varied issues of the nation significantly failing to deliver the promises of their counterpart; equal status to the minority ethnic groups after independence. Undoubtedly, the initial phase of independent Myanmar under the unstable but occasionally democratic governments was punctuated by growth of ethnic questions and interventions by the Myanmar military. The last significant bid for democracy ended, however, following a military coup by General Ne Win in 1962.

The policies and administration pursued by the military government proved instrumental in deterioration of contact and cooperation between the diverse ethnic peoples of Myanmar with state-building becoming a contentious exercise. Many ethnic groups challenged the unitary concept of the ruling elites, who were mainly from the majority Burman ethnic group. The new military ruler led the country, first under the Revolutionary Council and then under Burmese Socialist Programme Party (BSPP), into

a 26-year era of isolation following the 'Burmese way to socialism' and 'Burmanization'. The difference in military act brought violence and problems to the level that became a height to reconcile. The demands for ethnic groups' equity and their subjugation failed to bring any answer to minority ethnic questions bringing more complication in the reconciliation process and as a result the ethnic groups resorted to armed struggle since then. The different military government that ruled Myanmar for over 40 long years and their iron fist rule curtailed the prospects of nation building process bringing the gradual problem of representation on equal terms in the state. The immediate effect was the birth of factionalism and domestic insurgency amongst the ethnic groups against the rule of government which led to the failure of restructuring and in rebuilding the nation.

In order to meet the diverse challenges that were going inside the state and to project their rule as legitimate to the outside world, the government brought much peacemaking dialogues to subdue the ethnic groups and bring them under one umbrella of unitary control. The significance of this peace dialogue such as ceasefires managed to bring most of the ethnic groups under their controls but practically it failed to keep the ethnic groups away from their political demands. Though the successive governments were willing to grant autonomy and a set of freedom to the ethnic groups in their respective zones but the military remained very much uneasy with the general attitude of ethnic groups and particularly their political demand for federating states.

The inconsistent demands of the ethnic groups and meaningless peacemaking dialogues brought thaw in the buildup of gradual road to peace and stability of the nation. The ethnic groups felt that they were being subdued and overpowered by the government who in the disguise of peace making dialogues wants to generally rule over the vast lands of Myanmar. The significant impact of this hassle was witnessed in the Sino-Myanmar relations. Since its independence the Myanmar government expects that the principles of sovereign, equality and non-interference in internal affairs should form the basis upon which a country's foreign relations should be regulated. It is in this context that Myanmar formulated her China policy. Nevertheless her relations with China have never been an easy one and have been subjected to numerous strains over the years. Historically, China

established Sinocentric<sup>1</sup> world order of tributary relations with political entities near and far, which was regulated by rules, customs and rituals, not by treaties. But with the twentieth century, China entered in international politics based on the Westphalian model of the theoretical sovereign equality of nation-states (Myoe 2011:1). With the change in the atmosphere Beijing adhered to the policy of non- intervention aimed to surmount differences, to increase mutual trust through dialogue, to resolve disputes through negotiations, and to promote cooperation through security.

The post independence years of Myanmar saw a very complicated and twisted relationship between China and Myanmar and the reasons lies in the nature and changes of their commitment to the different version of relations i.e. people to people relations, party to party relations and the government to government relations. This different version of relations and particularly the people to people relations was acknowledged by China so as to maintain every possible close contact with the Chinese community in Myanmar and that its nationals in Burma are kept in touch with the homeland. The relations brought a significant risk factor to the Chinese communities that were residing in Burma who were gradually occupying the vast hinterland of the ethnic groups Myanmar. In order to prevent from such risky situation China introduced the party-to-party relationship between the Chinese Communist Party (CCP) and the Burma Communist Party (BCP) in the 1950s and the early 1960s confining itself mostly to the level of moral support. Gradually with time the CCP had become a mentor of the BCP, providing training facilities in China. The Myanmar government became alarmed over the situation and stated that Chinese government are violating the term of peace co-existence under which they fulfilled themselves of not interfering in each other's internal affairs and also mutual benefit.

It was Mao Zedong version of government to government relations that the two countries formally established diplomatic relations. Since then personal diplomacy played an important role in bilateral relations with several interesting developments coming forth and Myanmar has since than constantly repositioned her relations with China to her best

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<sup>1</sup> The belief held by the ancient Chinese, that China was literally the center of the earth and viewed the world from Chinese perspective with an implied belief in the preeminence of Chinese culture.

advantage. With the 20<sup>th</sup> century Myanmar was further enhanced into the global market by its huge discovery of oil and natural gas. On the other hand since the development of cordial relation with Myanmar under the state to state relations, Myanmar became more important and a strategic importance to Beijing's domestic survivals and to eliminate poverty and bridge the economic gap between China's coastal and western provinces.

Since Myanmar shares a long border of more than 2000km it is of strategic significance to Beijing that the location brought great importance and significance to Beijing and this can be seen by the huge development investment that China has poured in Myanmar. China's involvement in Myanmar ranges from mining, oil, and gas to hydropower. To secure these resources, China has outbid all other players, build necessary infrastructure at low cost, provided low-interest and technical assistance, provided a political support and economic assistance for the Junta when Myanmar suffered under western economic embargo.

Within the context of this "Pauk-Phaw" friendship, although the Sino-Myanmar relationship is an asymmetric one, tilted in favor of Beijing, Myanmar has skillfully played the "China card" and still enjoys considerable space in her conduct of foreign relations. In the Pauk-Phaw relations there are certain factors that prevent China from realizing its goal: first, an increase in border instability; second, growing resentment against the Chinese; third, weak Myanmar governance. Since Beijing has a huge economic and development assistance at stake in Myanmar, they cannot think of losing the opportunity. These factors have brought a problems and major hurdle in the development of Sino-Myanmar relations as each of these factors has a significant impact on the Chinese interest in Myanmar and correspondingly Beijing want to find an alternative to get away with this dilemma.

Looking from the critical standpoint, Myanmar has experienced the longest civil war in history. The ethnic groups feel that they are not given equal rights and autonomy required to preserve their culture and is struggling to secure their identity. The ethnic groups seek to have a say in the political process, economic development of their regions and the right to practice their language, culture and religion without constraints. At the government side they had a very different option. It denied the fundamental rights and civil liberties to

the people significantly becoming a repressive enterprise that defied any options, used political repression and military coercion against the ethnic groups that challenged the state. The government failed to understand or reflect the aspirations and requirements of ethnic minority peoples who make up an estimated one-third of the population. As such there was little consensus about the prospects of peace initiatives underway. Though the ceasefire talks was welcomed and took place through different government approaches to different ethnic groups; there is no over-arching strategy or national agreement on reform schedules and goals. Most of the peace prospects are government initiative and project that does not reflect non-Burman peoples; business rather than politics and communities is the focus of many ceasefire activities. The confidence in peace initiatives and reform is being tested by worrying trends and events. These include offensives by government forces (Tatmadaw) in the Kachin and northern Shan states; continued militarization in many ethnic borderlands and land-grabbing on a disturbing scale. In consequence, humanitarian needs remain immense and, in several areas, internal displacement continued to rise. Moreover the rate at which the government is extending its diplomatic relation to the outside greatly concern the ethnic groups and local communities particularly over the pace and style of economic change under different regimes', often involving Asian investors and business favorites of the ruling elite. As a result the peace prospects and reconciliation looks very dim and negative.

In such a critical situation the huge economic stake and development assistance that China has put up in Myanmar comes under grave danger and in dire consequences over the impact of Myanmar's internal problems. Most of the economic stake of Beijing lies particularly in the frontiers areas and as such until and unless a positive result comes out of the situation China's investment remains under greater threat. Hence looking at the whole perspective from the point of Myanmar internal conflicts, an uncertain political era has begun, bringing both opportunities and new challenges in quick order. Many needs can be listed and, ultimately, political solutions must be agreed. But for this to be achieved, it is vital that ethnic issues are prioritized at the centre of national politics; activities are broadened at the community levels to strengthen the participation of civil society; and transparency about peace strategies and initiatives is made a bedrock for all political, military and economic actions by the different sides. Until and unless these

challenges are met and solved it is hard for Beijing to continue its economic stake in Myanmar. With time and tide everything is changing and in such situation Myanmar is also undergoing some changes in its internal reforms and policies. In such case China has to be very careful and positive in claiming its stake and moreover needs to believe in good luck over the issues of Myanmar conflicting internal problems.

# China's trans-Myanmar oil and gas pipelines

Pipeline's will bring 12 million tonnes of crude oil and 12 billion cubic metres of gas a year into China



Source: shwe.org

 **REUTERS**

Reuters graphic/Catherine Trevethan

01/02/10



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APPENDIX-I

**The Panglong Agreement**

**Panglong, 12 February 1947**

A conference having been held at Panglong, attended by certain Members of the Executive Council of the Governor of Burma, all Saohpas and representative of the Shan States, the Kachin Hills and the Chin Hills:

The Members of the conference, believing that freedom will be more speedily achieved by the Shans, the Kachins and the Chins by their immediate co-operation with the Interim Burmese Government:

1. A Representative of the Hill Peoples, selected by the Governor on the recommendation of representatives of the Supreme Council of the United Hill Peoples (SCOUHP), shall be appointed a Counsellor for Frontier Areas shall be given executive authority by similar means.
2. The said Counsellor shall also be appointed a Member of the Governor's Executive Council, without portfolio, and the subject of Frontier Areas brought within the purview of the Executive Council by Constitutional Convention as in the case of Defence and External Affairs. The Counsellor for Frontier Areas shall be given executive authority by similar means.
3. The said Counsellor shall be assisted by two Deputy Counsellors representing races of which he is not a member. While the two Deputy Counsellors should deal in the first instance with the affairs of their respective areas and the Counsellor with all the remaining parts of the Frontier Areas, they should by Constitutional Convention act on the principle of joint responsibility.
4. While the Counsellor, in his capacity of Member of the Executive Council, will be the only representative of the Frontier Areas on the Council, the Deputy Counsellors shall be entitled to attend meetings of the Council when subjects pertaining to the Frontier Areas are discussed.
5. Though the Governor's Executive Council will be augmented as agreed above, it will not operate in respect of the Frontier Areas in any manner which would deprive any portion of those Areas of the autonomy which it now enjoys in internal administration. Full autonomy in internal administration for the Frontier Areas is accepted in principle.
6. Though the question of demarcating and establishing a separated Kachin State within a Unified Burma is one which must be relegated for decision by the

Constituent Assembly, it is agreed that such a State is desirable. As a first step towards this end, the Counsellor for Frontier Areas and the Deputy Counsellors shall be consulted in the administration of such areas in the Myitkyina and the Bhamo Districts as are Part II Scheduled Areas under the Government of Burma Act of 1935.

7. Citizens of the Frontier Areas shall enjoy rights and privileges which are regarded as fundamental in democratic countries.

8. The arrangements accepted in this Agreement are without prejudice to the financial autonomy now vested in the Federated Shan States.

9. The arrangements accepted in this Agreement are without prejudice to the financial assistance which the Kachin Hills and the Union Hills are entitled to receive from the revenues of Burma, and the Executive Council will examine with the Frontier Areas Counsellor and Deputy Counsellors the feasibility of adopting for the Kachin Hills and the Chin Hills financial arrangement similar to those between Burma and the Federated Shan States.

**Burmese Government.**

(Signed) Aung San

**Kachin Committee.**

(Signed) Sinwa Naw, Myitkyina

(Signed) Zaurip, Myitkyina

(Signed) Dinra Tang, Myitkyina

(Signed) Zau La, Bhamo

(Signed) Zau Lawn, Bhamo

(Signed) Labang Grong, Bhamo

**Chin Committee**

(Signed) Pu Hlur Hmung, Falam

(Signed) Pu Thawng Za Khup, Tiddim

(Signed) Pu Kio Mang, Haka

**Shan Committee**

(Signed) Saohpalong of Tawngpeng State.

(Signed) Saohpalong of Yawngghwe State.

(Signed) Saohpalong of North Hsenwi State.

(Signed) Saohpalong of Laihka State.

(Signed) Saohpalong of Mong Pawn State.

(Signed) Saohpalong of Hsamonghkam State

(Signed) Representative of Hsahtung Saohpalong. Hkun Pung

(Signed) U Tin E

(Signed) U Htun Myint

(Signed) U Kya Bu

(Signed) Hkun Saw

(Signed) Sao Yape Hpa

(Signed) Hkun Htee

Source: Ethnic National Council of Burma (Website)