

# Towards Resolution: China in the Myanmar Issue

Xiaolin Guo

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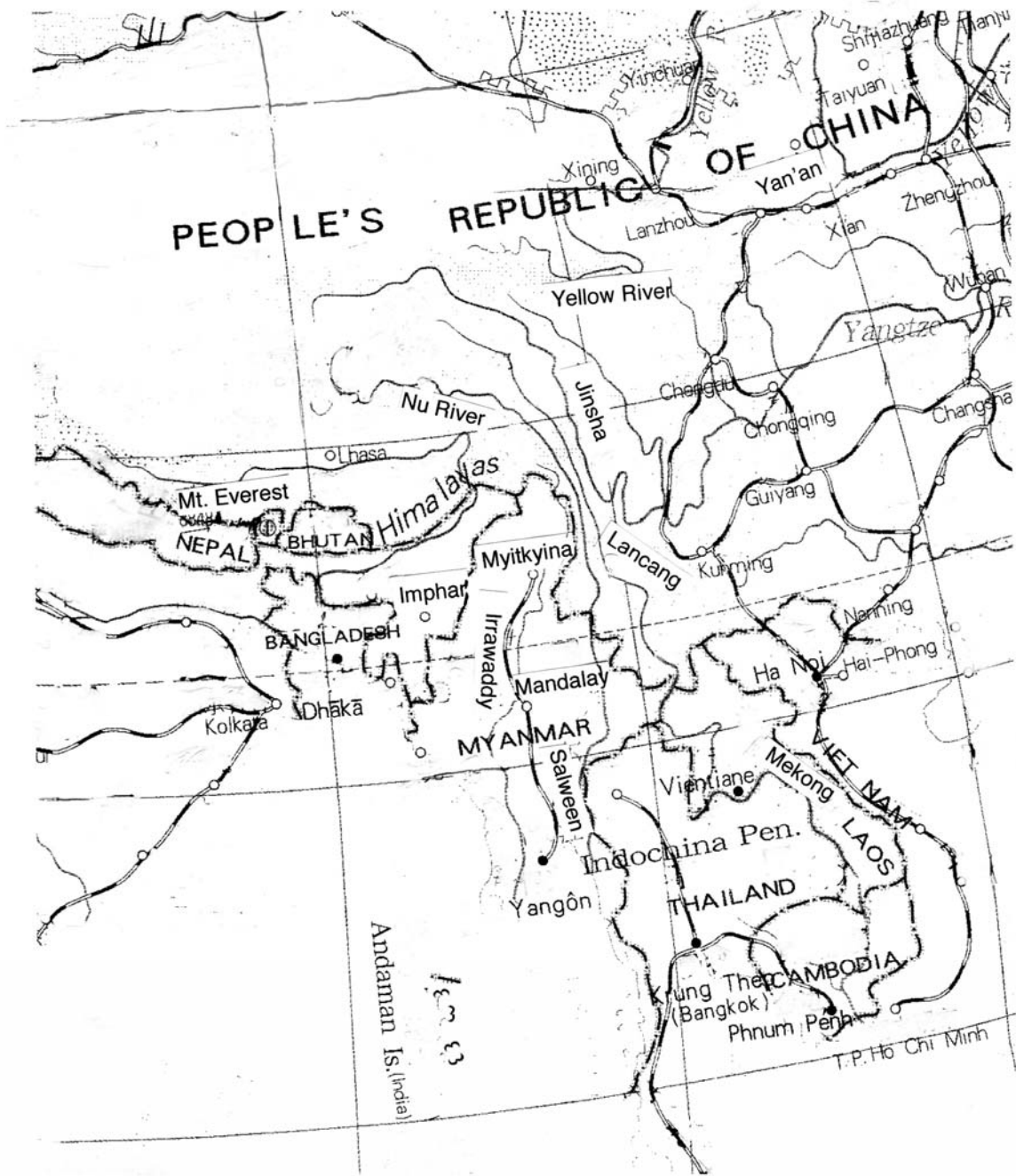
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# Map





## Abbreviations

AFPFL	Anti-Fascist People's Freedom League
BCIM	Bangladesh-China-India-Myanmar economic cooperation
BIA	Burma Independence Army
BNA	Burma National Army (formerly BIA)
BSPP	Burman Socialist Program Party
CCP	Chinese Communist Party
CPB	Communist Party of Burma
CPSU	Communist Party of Soviet Union
GMS	Greater Mekong Sub-region development scheme
KMT	Kuomintang, or Chinese Nationalist Party
LDP	League for Democracy and Peace
NEC	North-East Command
NLD	National League for Democracy
PLA	People's Liberation Army
PRC	People's Republic of China
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council

## Executive Summary

The issue of Myanmar has been in the limelight of international affairs for almost two decades now. Economic sanctions and political isolation have consistently been the principal policies of the international community in dealing with the incumbent government in Myanmar. Despite the mounting pressure, the country's military rulers have so far chosen to defy the international outcry, and as a result, a political stalemate has persisted, while the population of the country continues to struggle to make ends meet. Twenty years after 1987, Myanmar remains on the UN list of the world's Least Developed Countries. Yet, the government that stole the country's election is still in power. The impasse itself now becomes a problem, and the practice, if not the concept, of intervention is open to scrutiny.

Whatever problems Myanmar has today and however severe they may be, they did not just spring up overnight after the military took power — the country's history, beleaguered by violence and turmoil in the past two centuries, tells us that. Recounting the country's struggle for independence and the political upheavals in the decades that followed allows us to gain insights into the nature of the problems with which the country is grappling today. Accountable for the problems that presently hinder the democratic process in Myanmar is a combination of colonial legacy, multi-ethnicity, a wide range of political interests across communities and, above all, a lack of national identity that bonds the country together. Without the necessary step of state building and a process of national reconciliation from within, a host of political, economic, and ethnic problems cannot be solved.

In regard to the issue of Myanmar, China has all along spoken with a different voice. The difference is rooted in regional identity and shared views of history and development. Like many Asian countries, China has had peaceful as well as troubled relations with Myanmar. The export of Mao's revolution and fervent support for 'a people's war' to bring about regime change in neighboring countries and beyond during the most radical period of China's modern history bears a striking resemblance to international

developments unfolding on the Indo-China Peninsula and elsewhere in the world today. China's current foreign policy and, in particular, China's stance on the issue of Myanmar, reflects lessons that China has drawn from its own experience in the past. Economic reform that prospered and served to stabilize China in the post-Mao era is now making its way to neighboring Myanmar. This cross-border development (in part joined by ASEAN) has brought significant changes to the war-torn country of Myanmar; and more coordinated efforts from the international community along the same lines would certainly benefit the country and its people in a meaningful way. Intention and sincerity are crucial in the search for solutions, as indeed the Six-Party Talks on North Korea demonstrate.

## Introduction

Early in September 2006, the ambassador of the United States to the UN called on the Security Council to put the issue of Myanmar on its agenda. China and Russia, together with Qatar and Congo (Republic), opposed the proposition, with Tanzania abstaining. In January 2007, a UN draft resolution calling on the Myanmar government to stop its persecution of opposition groups was finally put to a vote. China and Russia vetoed and South Africa opposed it, while Qatar, Indonesia and Congo all abstained, blocking the motion in the UN Security Council. As a permanent member of the council, China has generally refrained from using its veto power, and its unusually strong reaction in the issue of Myanmar underscores an intriguing aspect of international relations.

The present study has a dual focus: the making of the issue of Myanmar, and the role of China. It is set to explain how the 'issue of Myanmar' has evolved over the years and what has been done to resolve it. Probing the complexity of the matter, moreover, the research focuses on China-Myanmar relations and China's view of the issue of Myanmar vis-à-vis the on-going international debate. As far as Myanmar is concerned, China has consistently argued against intervention. Its staunchness reflects a particularly complex relationship that exists between the two countries. On the eve of a Myanmar state visit to Beijing in 2006, China openly deflected international criticism of its guest: at a press conference, the government spokesperson stated resolutely that Myanmar is a friendly neighbor and friendly relations between the two countries go way back in time.<sup>1</sup> This public statement makes reference to what China and Myanmar have gone through in the past decades. It also implies that on-going cross-border development is the logical outcome of that experience.

The report presented here comprises four parts: I. Myanmar: The Country and its Problems; II. Neighborly Relations: Past and Present; III. Cross-

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<sup>1</sup> Foreign Ministry of PRC (fmprc) (<http://www.china.com.cn/2006/02/08;2006/02/14>.)

Border Cooperation: Business and Security; and IV. The Issue of Myanmar: Rights and Wrongs. Part one discusses Myanmar's colonial history and its legacy in the nation's quest for democracy. Part two offers an overview of diplomatic relations between the Union of Myanmar and the People's Republic of China since 1950, probing the intricacy of their relations in times of trouble and peace. Part three deals with exchanges between the two countries since the 1980s and into the present in two major areas: business and border security. Part four addresses diverging international views on the issue of Myanmar and their impact on possible solutions.

Ultimately, this study seeks to contribute to a deeper understanding of the current situation in Myanmar by tackling matters that go beyond the open disagreement between the West and Burmese military rule. This study's approach to the problems that Myanmar has today highlights the country's past experience of colonialism, protracted political factionalism, and the need for a process of national healing at the centre of which are issues of ethnic minorities and national identity. As for solutions to the country's problems, the study explores initiatives that have been taken by the international community as well as by the government of Myanmar. Controversial as it may seem, this report shows that what makes the issue of Myanmar complicated is the presence of multiple players with different agendas — generally speaking, those interested in solving the problem and those interested in simply making an issue out of it — and the official line asserted by each player bears out that difference. The contrast reveals and underscores the difficulty in solving the issue of Myanmar.

## I. Myanmar:<sup>2</sup> The Country and its Problems

Whatever problems Myanmar may have today, they did not just spring up overnight after the military took power. On the contrary, the power seizure and the events leading to it are deeply entrenched in the country's history; in particular, its socio-political transformation in the past two centuries. The history of modern Myanmar began with the economic expansion of the West and colonialism. Independence came at a price, and post-independence Myanmar with its vast territory and ethnically diverse population has been under constant threat of disintegration. There has been continuity in that the country has, since independence, been ruled by one and the same political party with its root in the anti-fascist tradition. State-making, on the other hand, during this same period, has left much to be desired. The nature of the challenge faced by Myanmar and its government today may not be so different from what has been in the past, but the environment wherein solutions can be found now appears far more complex than ever before, due to growing international pressure.

### **Territory and Population**

Myanmar is the largest country on the Indo-China Peninsula, bordering India and Bangladesh in the northwest, and China, Laos and Thailand in the east. Running through its rugged terrain, from the foothills of the Himalayas in the north to the Andaman Sea in the south, are two giant rivers: the Irrawaddy and the Salween. The topography of the country is thus divided into plateaus (in the east, north, and west) and plains (in the central region).

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<sup>2</sup> The name of the country, Myanmar, predates the name Burma, and was revived by the government in 1989. It is now recognized by the United Nations, though the United States, Britain and some other countries continue to employ the name Burma as a way of protesting against the present military government (that carried out the name change). The European Union has chosen to compromise and refers to Myanmar/Burma. In this study, the name Myanmar may from time to time be used interchangeably with Burma, depending on the context.

The Irrawaddy delta is basically the so-called 'Burma Proper', which has the highest population density and is rich in a variety of agricultural produce. The surrounding plateaus are endowed with rare minerals and dense forests, the resources of which constitute major exports from Myanmar. Oil and natural gas reserves are concentrated in the central west, along the Irrawaddy; the exploitation of these resources has increasingly become the focus of internal conflict as well as international tension.

The realm of what is now the Union of Myanmar almost tripled between 1872 (prior to the British colonization) and 1941 (with the British delineation of boundaries).<sup>3</sup> Currently, the area of the country is estimated at 676,581 square kilometers (1 mi<sup>2</sup> ≈ 2,5 km<sup>2</sup>). The Union of Myanmar comprises seven administrative divisions in the central region, plus seven ethnic minority states on the periphery. The seven administrative divisions are as follows: Sagaing, Mandalay, Magway (Magwe), Bago (Pegu), Yangon (Rangoon), Ayeyarwady (Irrawaddy) and Tanintharyi (Tehasserim); their main inhabitants are the Bamar (Burman) who constitute 69 percent of Myanmar's total population of some 50 million.<sup>4</sup> The port city of Yangon (the name meaning 'enemy defeated, we victorious'), with a population over five million, became the administrative capital after the country was annexed by British India in the 19<sup>th</sup> century. In 2006, the national government moved its capital to an undistinguished town in the north in what amounted to a strategic retreat from sporadic insurgencies and as a response to perceived international threats (Part IV). The second largest city, Mandalay, was the royal seat of the ancient Bamar kingdom and is now the country's major communication point. The Yangon-Mandalay railway is a vital link between the northern and southern parts of the country and major trunk roads lead to China (Yunnan), Thailand and India. A dozen or so direct international air routes link Mandalay/Yangon to Bangkok, Chiang Mai, Singapore, Hong Kong, Kuala Lumpur, Beijing, Shanghai, Kunming, Taipei, Dakar, Vientiane, Calcutta, Karachi, Delhi, London, and Paris.

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<sup>3</sup> The size expanded from 88,566 to 261,228 square miles. He Shengda and Li Chenyang, *Miandian* (Myanmar), Beijing: Shehui kexue wenxian chubanshe, 2005: 425.

<sup>4</sup> Names in brackets refer to English names, which were replaced with the original Burmese names in 1989, at the same time as when the name of the country was changed from Burma to Myanmar (He and Li 2005: 3).

About one third of Myanmar's population consists of ethnic minorities. By official definition, Myanmar has eight nationalities: namely, Bamar, Shan, Kayin, Rakhine, Mon, Kachin, Chin, and Kayah. Each of the eight groups (except for the Mon) comprises a dozen or more branches, which puts the total number of ethnic minority groups at 135. By language affiliation, these vastly diverse peoples fall into three categories; namely, the Tibeto-Burmese, Dai (Zhuang-Dong), and Mon. Of the seven ethnic minority nationalities — Shan, Kachin, Kayah (Karenni), Kayin (Karen/Kawthule), Mon, Chin, and Rakhine (Arakan) — each forms an autonomous state.<sup>5</sup> The Shan State is by far the largest, bordering the southwest Chinese province of Yunnan to the east, as well as Laos and Thailand. It has a population estimated at 4.8 million. The territory of the Shan State makes up a quarter of the total area of Myanmar; for administrative purposes, it is divided into three sections, the eastern, northern and southern, with their respective capitals Kengtung, Lashio, and Taunggyi. To the north of the Shan State lies the Kachin State, bordering Assam, Tibet as well as Yunnan, and its capital is Myitkyina. The Kayin State lies along the border with Thailand, its capital being Pa-an (Hpa-an). The Kayah State is the smallest with a population of only a quarter million, squeezed in between the Shan and Kayin states. The Mon State is located on the coast in the southeast; it borders Bago in the north, the Kayin State in the east, and Tanintharyi in the south. The states of Chin and Rakhine are located to the west, bordering India and Bangladesh. Despite the ethnic diversity of its population, Myanmar, in terms of religion, is almost entirely (up to 90 percent) Buddhist, in addition to native shamanism. Other faiths, as the result of more recent overseas contact, include Islam, Hinduism, and Christianity. In short, ethnic diversity and foreign colonization have played significant parts in shaping the country's politics over the past century.

### **Decades of Turmoil**

The last Bamar king, Thibaw, was enthroned in 1878. By then, Myanmar — first united in the 18<sup>th</sup> century — had been heading for disintegration, following two wars with the British within the space of three decades between 1824 and 1852. The third war in 1885 finally overthrew the Bamar

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<sup>5</sup> The names in brackets were discarded according to the Constitution of Myanmar in 1974 (He and Li 2005: 3).



king, who was subsequently sent into exile on a British-Indian island and died there in 1916. Myanmar then became governed by a Commissioner from India, and in 1897 became a province of then British India. While the British administrative system was introduced to and implemented in towns across central Burma, much of the countryside was left in a vacuum, to the extent that vast hill tracts were not even included in the administrative framework of Burma until the country gained its independence in 1948.<sup>6</sup>

Under colonial rule, Myanmar acquired the name of the 'breadbasket of India'. Its annual rice exports to India in the decades that followed reached 2-3 million tons, while rice consumption per capita in Myanmar itself declined drastically. By the 1930s, about half of the arable land had fallen into the hands of absentee landlords, a large portion of whom were usurers of Indian descent.<sup>7</sup> During the same period, the influx of Indian immigrants reached one million, and government offices in Yangon were predominantly staffed with Indians. The local resentment against the Indians, not surprisingly, came to fuel the development of Burmese nationalism. To mitigate the tension between the colonial ruler and the Bamar population, the British introduced a system that divided the country into 'Ministerial Burma' (or Burma Proper), and the Frontier — in the former area, there was a limited form of local democracy in that it had a parliament to which there were elections, whereas the latter remained directly under the control of the colonial governor.<sup>8</sup> Not all, but selected ethnic minority groups such as the Kayin (Karen),<sup>9</sup> immigrant Chinese, Indian, and Anglo-Burmans were granted separate representation in the parliament, and in the years that followed emerged as forces of insurgency.<sup>10</sup>

Divided ethnic interests and a vast territory occupied by ethnic minorities excluded from the political process presented serious problems to the political integration of Myanmar. Instability, in turn, prompted power struggles among those who were privileged enough to find themselves included in the

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6 Martin Smith, *Burma: Insurgency and the Politics of Ethnicity*, London: Zed Books Ltd, 1999 (second edition).

7 He and Li 2005: 101.

8 Smith 1999: 42-44.

9 Christian missionaries had far more influence among the Kayin (Karen) than any other ethnic groups in Myanmar. The Kayin/Karen Christians account for one sixth of all Kayin/Karens today (Smith 1999: 44).

10 Smith 1999: 42-3.

political system. Of the plethora of political parties that emerged in the country, some rallied originally under the banner of religion, whereas others organized on the basis of specific group and ethnic interests. The earliest resistance group was the Young Men's Buddhist Association, formed in the struggle for separation from India in the first decade of the 20<sup>th</sup> century. This was later superseded by the General Council of Burmese Association in 1920, when a student nationalist movement began to pick up momentum. By the mid 1930s, students and intellectuals had formed the major force of the nationalist movement. The 'We Burmans Association', nicknamed Thakin (meaning 'Master'), allied with the All Burma Youth League. During this period, Aung San and U Nu, Secretary and Chairman respectively of the Rangoon University Students Union, emerged as key figures, who later led the insurgency against the British that eventually won Myanmar's independence.

In 1937, Myanmar was separated from India and placed directly under British rule. The insurgency continued, led by the We Burmans Association. Together with other young elites, Aung San founded the Communist Party of Burma (CPB) in Yangon in 1939, and assumed the post of its Secretary-General.<sup>11</sup> A British crackdown on anti-government activities in 1940 forced Aung San into exile (first to the Chinese coastal city Amoy, then across the sea to Japan), while his comrades at home were arrested and jailed, including Thakin Than Tun (see also Part II). While in Japan, Aung San drew up his plan for what would become an independent Myanmar. He traveled briefly back home in the spring of 1941, then returned to Japan with his 'Thirty Comrades'. Having received training from the Japanese, they embarked on a path of alliance in resistance to the British. After returning to Myanmar at the end of the same year, Aung San and his comrades founded the Burma Independence Army (BIA). The CPB, meanwhile, led the struggle against the Japanese occupation, eventually allying with Aung San who had by then joined the government under Japanese occupation. The rebels gathered in Bagu (Pegu) and formed the Anti-Fascist People's Freedom League (AFPFL) in 1944, when it was becoming evident that the Allied Forces had managed to turn the situation around in the Asian Theatre. The AFPFL leadership was assumed jointly by Aung San, Than Tun and Soe. A year later, the Burma

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<sup>11</sup> Ibid. 56.

National Army (BNA, formerly the BIA) threw in their lot with the Allies and turned on the Japanese, liberating Yangon two days before the arrival of the British army.<sup>12</sup>

After the war, Lord Mountbatten offered amnesty to the BNA and promised independence in three and a half years to the then BNA Commander Aung San, Colonel Ne Win, and the Secretary-General of the AFPFL, while proposing to enlist the BNA (to be renamed the Patriotic Burmese Forces) as the new Burma Army. In the post-WWII administration, Aung San became a deputy to the British governor, concurrently defense minister and foreign minister. The collaboration caused some rifts within the AFPFL and the league finally expelled the CPB in 1946.<sup>13</sup> The outlawed CPB subsequently split into two factions led by Thakin Soe and Thakin Than Tun (more details in Part II). Six months before independence was to be declared, Aung San and five of his cabinet colleagues were assassinated. The motive behind the assassination remains a mystery to this day.

Independence was marked by the inauguration of the Union of Burma in 1948. The institution of political power that the new nation came to embrace has been described as being ‘modeled on the loose pattern of British parliamentary democracy’.<sup>14</sup> In practice, however, British institutions and Western democracy were only received with ‘a lukewarm response’ and elections, if not deliberately boycotted, met with widespread apathy.<sup>15</sup> Between 1948 and 1962, the ruling party remained in the hands of the AFPFL. The single party was, however, divided from within by factions. Despite a shared ideology (Marxist-Leninist tradition) and anti-colonialist/fascist background, a wide-range of group interests — not just limited to military and ethnic ones — constantly fanned grudges between competing leaderships, not to mention personal rivalries. The divergence of political interests and the lack of a united front became a bitter legacy of the political parties that persists in Myanmar to this day.

In the early days of Myanmar’s independence, the lawlessness symptomatic of the end of British rule, the persistence of political factions, and the mounting grievances of ethnic minorities struck a crushing blow to the unity

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<sup>12</sup> He and Li 2005: 108-110.

<sup>13</sup> *Ibid.* 111.

<sup>14</sup> Smith 1999: 27.

<sup>15</sup> *Ibid.* 48.

of the country. Barely three months after independence, Myanmar descended into all-out civil war, involving not only the disgruntled insurgent forces of the political parties (that had gone underground after being expelled from the AFPFL), but also ethnic separatists from across the hill tracts, whose rights had never been properly addressed in the process of the nationalist movement or by the post-independence democratic process. A decade after independence, the ruling AFPFL party, beleaguered with unabated infighting, was thrown into deeper turmoil as the time came for the Frontier States to exercise their right of secession.<sup>16</sup> To contain the extremely volatile situation, U Nu, the first Prime Minister of the post-Independence Union, asked Ne Win (one of Aung San's 'Thirty Comrades'), the then deputy prime minister, to organize a caretaker cabinet in 1958 until the next election. In the 1960 election, the AFPFL faction led by U Nu won. Yet his victory was soon overshadowed by continued strife within the government and escalating social instability accompanied by a stagnant economy.<sup>17</sup> As talks between the government and the Frontier States threatening to leave the Union of Burma were on the brink of collapse, Ne Win seized power in a coup in 1962, arresting U Nu and dissolving parliament.<sup>18</sup> Thus began the era of military rule.

The trademark of the new government under the rule of Ne Win became the Burman Socialist Program Party's (BSPP) initiation of the so-called 'Burmese Way to Socialism', a program encompassing militarism, nationalism, and Buddhism, set to implement all-round nationalization. Having little experience in running an economy, the military leadership pursued a closed-door policy — consistent with its non-alignment principle in foreign policy — that led to nation-wide economic stagnation. In turn, inflation and food scarcity bred social unrest. Faced with a stalemate in its attempt to win support from the ethnic minorities, the government resorted instead to large-scale suppression. During the two and a half decades of Ne Win's rule, dozens of ethnic anti-government armed forces were active

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<sup>16</sup> Two states were entitled to the right of secession, the Shan and the Kayah (Karenni). For more on this topic, see Josef Silverstein, 'Politics in the Shan State: The Question of Secession from the Union of Myanmar', *The Journal of Asian Studies*, Vol. 18, No. 1 (Nov. 1958) pp. 43-57.

<sup>17</sup> To Chinese observers, Myanmar in 1960-1961 was a country ruled by two masters, U Nu and Ne Win. See Cheng Ruisheng, *Mulin waijiao sishinian* (Forty Years of Good Neighbourly Diplomacy), Chengdu: Sichuan renmin chubanshe, 2006: 54.

<sup>18</sup> He and Li 2005: 117-118.

across over one third of the country's territory. Military campaigns cost the government treasury around one third of its revenue every year.<sup>19</sup> The grim situation eventually forced the government to adjust its policy, and a relaxation in the early 1970s saw some economic recovery. Subsequently, Ne Win and a dozen or so of his colleagues in the government relinquished their military positions, adopting the title U (traditionally for senior males) in front of their names, the move being interpreted at the time as a transition from a military to civilian government.<sup>20</sup> In 1974, a new constitution was drafted that affirmed the one-party state and gave the country a new name: the Socialist Republic of Burma Union.

In the 1980s, Myanmar's economy began to go downhill again. By the middle of the decade, the government was mired in foreign debt. Unable to repay a stack of matured loans amounting to US\$3.6 billion, Myanmar applied to the UN for status as a Least Developed Country which, when duly granted, relieved the burden from the country.<sup>21</sup> The economic crisis resulted in some criticism within the party and demands for reform. Finally in 1988, amid an escalation of public grievances, a clash between students and police in Yangon triggered mass protests, which were met by government suppression. In the event, Ne Win assumed responsibility and tendered his resignation on grounds of old age. His resignation was accepted, but the ruling party rejected his call for a national referendum to vote on the issue of returning to a multi-party system of government.<sup>22</sup> All this served to trigger yet more demonstrations in the capital and other cities. In the weeks to come, memories of Aung San, the national hero of the independence struggle, surfaced during the demonstrations, as did the name of U Nu who had basically disappeared from the political scene after 1962, alongside other army dissidents. A few new names also caught the public's attention, one being that of Aung San Suu Kyi, the daughter of Aung San, on a visit from Britain to her ailing mother. As the democratic movement pressed ahead, two main factions emerged from within it — one led by U Nu, namely the League for Democracy and Peace (LDP), and another led by Aung San Suu Kyi and

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<sup>19</sup> Ibid. 120.

<sup>20</sup> Ibid. 121.

<sup>21</sup> Cheng Ruisheng, 2006: 208.

<sup>22</sup> He and Li 2005: 123.

others, namely, the National League for Democracy (NLD).<sup>23</sup> The resistance was simultaneously joined by the CPB and an alliance of ten ethnic minority armies under the name of the National Democratic Front. Again, like so many times in the past, a political coalition proved hard to form. As political dialogue no longer presented an option, the military took control of the country, as it did in 1962.<sup>24</sup>

General Saw Maung organized the State Law and Order Restoration Council (SLORC). To win public support, he pledged to restore law and order, and to hold multiparty elections in due course. Though ruling under a new name, the government was staffed by the same old members of the BSPP; those who formed the inner circle of the Saw Maung government included Sanda Win (daughter of Ne Win), Than Shwe (later to become head of state), and Khin Nyunt. In September 1988, General Saw Maung called for the registration of political parties in preparation for an election. By March 1989, as many as 233 parties had been registered and recognized as legitimate. The result of the national election was a landslide victory for the NLD, winning 396 seats out of 485 in the National Assembly. Even the less well-known parties associated on an ethnic basis (e.g. the Shan and the Arakan/Rakhine) ascended to second and third place, respectively.<sup>25</sup> Totally aghast, the military leadership demanded a draft of the constitution as a precondition for handing over power, reiterating that the incumbent government would not give up power until its successor proved to be strong. The elected NLD refused to budge. During the standoff, the military rulers toughened their attitude towards the NLD, culminating in a raid on the NLD headquarters and the arrest of its members. More suppression followed. In due course, the political party led by U Nu was outlawed; by mid 1991, the number of political parties in Myanmar was reduced to no more than 80.<sup>26</sup> In the months to come, Aung San Suu Kyi was awarded the Nobel Prize, and the West issued condemnations and mounted pressure on the military government.

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<sup>23</sup> Smith 1999: 9.

<sup>24</sup> Aung San Suu Kyi was notably disinclined to yield any ground for negotiations regarding the provisional government (Cheng Ruisheng 2006: 216).

<sup>25</sup> He and Li 2005: 127.

<sup>26</sup> Ibid. 128.

### **Reconciliation Inside and Outside**

Characteristic of politics in Myanmar is the wide spectrum of the political agenda, multifarious political representations, and the absence of anything resembling a united front. Be it in the struggle for independence in the 1930s-1940s or in the fight for multiparty elections in 1989-1990, coalitions appeared hard to achieve while divisions remained constant. The decades of turmoil in Myanmar's modern history have shown that the most disconcerting issues facing the country's leaders are those rooted in the multi-ethnicity of the population, the presence of numerous ethnically based political parties and armed forces, divided interests between various groups and communities across the country, and above all, the lack of national identity. Not only do these problems persist as essential challenges to national unity, they also hinder the democratic process by fuelling a vicious circle of unabated insurrections, responded to only by repeated suppression of dissidents and opposition. This situation has done nothing but provide a convenient pretext for military hardliners to intervene, as they did in 1962, in 1989, and again in 1992; their action justified in part as "necessary to prevent the civilian government from allowing the state to disintegrate in response to demands for more substantive federalism".<sup>27</sup> After decades of civil war across the expanse of the country, the military government of Myanmar has become increasingly adamant in claiming justification for holding on to power; both international pressure and domestic insurgencies seemed to have only reinforced rather than dampened that will.

Than Shwe, who had served under Saw Maung, became head of state in 1992. By now, the country had a new name: Myanmar Naing Ngan (the Union of Myanmar).<sup>28</sup> The top policy-making body, SLORC, was replaced by SPDC, standing for the State Peace and Development Council. Its chairmanship was assumed by Than Shwe, Senior General and concurrent Supreme Commander of the three branches of the military, the Minister of Defense and the Prime Minister. The legacy of Western sanctions and domestic violence continued to define the predominant state of affairs in Myanmar. The change of name for the government itself may, however, signal a shift of

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27 Jürgen Haacke, *The Adelphi Papers*, London: Routledge, Vol. 46, No. 382, June 2006, [http://journalonline.tandf.co.uk \(dkfmnaor1q4xqlrubbo5ns55\)/app/hom...](http://journalonline.tandf.co.uk (dkfmnaor1q4xqlrubbo5ns55)/app/hom...), accessed 2006/08/21, pp. 16-7.

28 The name was adopted in 1989.

emphasis in government work; that is, from restoring law and order to maintaining peace and development. Compared to his predecessors, Than Shwe has appeared more pragmatic and open in dealing with foreign relations and the domestic economy.

In the face of international isolation, the new government pursued a foreign policy that stressed building good relations with its immediate neighbors. Such a policy was to serve a dual purpose: stabilizing the border regions (in particular those with China, Laos and Thailand) and improving the country's international image, so as to legitimize military rule. One major breakthrough of the Myanmar government in international relations was its successful entry into ASEAN. Under Ne Win's rule, Myanmar claimed that ASEAN did not "qualify as non-aligned because Thailand and the Philippines both allowed US forces to prosecute the Second Indochina War from their military bases", and therefore declined to join the organization.<sup>29</sup> The end of the Cold War, the financial crisis in Southeast Asia, and the general silence of the ASEAN countries towards the military government in Myanmar all seemed to favor Myanmar joining ASEAN in the 1990s. After being in the observer seat for three years, Myanmar formally became a member of ASEAN in 1997. Accordingly, Myanmar's head of state has since visited the ASEAN countries, and the leaders of other ASEAN countries have also visited Myanmar. Such exchanges have effectively facilitated economic cooperation between ASEAN and Myanmar. ASEAN membership brought a new drive in foreign relations — soon after being accepted by ASEAN, Myanmar established the Institute of Strategic and International Studies (ISIS), directly subordinate to the Ministry of Foreign Affairs, engaged in researching and assisting policy-making.<sup>30</sup>

On the economic front, the new government sought to relax economic policy in order to attract foreign investment, while encouraging the development of private enterprises at home. The opening-up policy resulted in what was called the 'economic mini-boom' of the 1990s, during which the number of foreign businesses operating in the country rose.<sup>31</sup> Bowing to international pressure, however, some foreign companies later pulled out, while others stayed on. Foreign investment has been predominantly targeted at the oil and

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29 Haacke 2006: 41-2.

30 He and Li 2005: 315.

31 Smith 1999: 427.



gas reserves that Myanmar had not fully exploited for lack of investment capital and technology. Oil companies from the United States, Britain, Netherlands, Italy, Canada, Japan, and more recently Malaysia, Indonesia, Thailand, and China have all at one time or another reached agreements with Myanmar in regard to exploiting oil and natural gas reserves.<sup>32</sup> The open-door policy and market-oriented reforms adopted by the SPDC have resulted in mixed outcomes for the population. Rural poverty has persisted – especially in the ethnic minority areas – and agricultural development continues to be hindered by poor infrastructure, which has been largely neglected since the end of WW II. In urban areas, private businesses are booming and economic activities appear more dynamic. In what is called an ‘open’ and ‘irregular’ market economy in Myanmar today, underground business and ‘grey incomes’ are believed to play an important role, making it difficult to accurately assess the actual living standard of the Myanmar population.<sup>33</sup>

This economic stagnation, however, has not been in any way reflected in the military build-up by the government of Myanmar. Significant military construction was under way between 1990 and 1995, during which the Myanmar army established three new military regions and equipped one new mechanized division, 283 infantry and motorized infantry battalions, 170 special force battalions and 20 reconnaissance units, thereby increasing its troop strength by 150,000.<sup>34</sup> In the same period, the Myanmar navy was expanded from three military regions to five, from 10 navy bases to 25, from 5 navy vessels to 7, and from 17 to 49 logistic units. In addition, it equipped three marine battalions and two marine companies, as well as purchased new escort vessels and landing craft from Yugoslavia. The air force meanwhile was equipped with advanced aircraft, radar, and bombs. In 2001, a new Five-

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32 Dong Nan, ‘Miandian de gongye jiqi fazhan’ (Myanmar’s Industry and Development), *Dong-Nan-Ya*, No. 4 (2005): 33-37; Kong Zhijian, ‘Qianxi Miandian dianli gongye fazhan de xianzhuang ji qianjing’ (Present Situation and Future of Myanmar’s Power Industry), *Dong-Nan-Ya*, No. 3 (2006): 15-21.

33 The World Bank estimated that the 2004 GDP per capita was \$179. The Myanmar government’s calculation differed, showing 160,000 Kyat. This figure would correspond to the estimate of the World Bank, if converted by the market exchange rate that is 1,300 (Kyat): 1 (dollar), whereas the official exchange rate between Myanmar Kyat and US\$ is 6.5: 1. The monthly salary for ordinary civil servants is estimated at 18,000-25,000 Kyat, for senior civil servants 50,000-60,000 Kyat, and for ministerial officials 300,000 Kyat approximately. CRI online, [www.china.com.cn/2006/04/21](http://www.china.com.cn/2006/04/21).

34 The army has recently been equipped with missiles (He and Li 2005: 269).

Year Plan doubled the active forces – mainly the mechanized, rapid response and air-sea patrol units. To strengthen its national defense, Myanmar also established frontier army regions along the borders with China, Laos, Thailand, India, and Bangladesh. Between 1989 and 1995, national defense spending tripled.<sup>35</sup> Notably, China and Israel are Myanmar's two biggest arms suppliers.<sup>36</sup> The training of officers by the PLA has reportedly been part of the deal.<sup>37</sup>

International pressure and domestic instability both played a role in the military expansion, though the latter concern was doubtlessly more tangible than the former. For the government of Myanmar, border security constitutes a great challenge. This problem is rather complicated, involving not only the central-peripheral relations between the government and the ethnic minorities who exercise the *de facto* rule over the territories on the national border, but also the thriving narcotic production and trafficking in the region. Both are historical problems that require political as well as economic solutions. Obviously, the latter is largely dependent on progress in the former.

The beginning of the British colonization of Myanmar in the 19<sup>th</sup> century saw a simultaneous collapse of the frontier system, which had been tenuously sustained between the feudal lords and the Bamar King on a largely symbolic level. The missing step in state building after the country gained its independence has preserved the ambiguous status of the frontier states ruled by the ethnic chieftains. The Shan (as well as Kayah/Karenni) State announced its entry into the Union on the eve of independence (to the credit of Aung San), yet, ten years after independence, it threatened to exercise its right of secession from the Union of Burma, a move that ultimately led to the coup by Ne Win in 1962. Despite the government's relentless military action against the insurgencies, land reform (as part of nationalization) was never implemented in the frontier, where the local strongmen continued to exert real control over the local economy while maintaining their own armed forces. Enclaves as such provided a haven for flourishing opium poppy production.

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35 He and Li 2005: 269-71.

36 Haacke 2006: 26; He and Li 2005: 288.

37 Smith 1999: 426.

Opium poppy in Myanmar is an age-old problem, and its cultivation dates back to the 1820s after the British occupation of Tanintharyi and Rakhine. By the early 20<sup>th</sup> century, much of the territory across the Shan Plateau on both side of the Salween had been devoted to poppy cultivation and the crop constituted a major source of income in the local communities.<sup>38</sup> After 1949, the need to finance the Chinese Nationalist (KMT) forces, which had retreated to east Myanmar after defeat at the hands of the communist People's Liberation Army (PLA) in China's civil war, spurred an increase in poppy cultivation and opium production.<sup>39</sup> Military action in the region, in which both Myanmar military and PLA units participated in 1960, to crackdown on the KMT forces (see also in Part II) decimated but did not entirely eliminate poppy cultivation there. During the Vietnam War, opium poppy production entered its golden age. Its development was further stimulated by the CPB, active in northeast Myanmar (see Part II). Until the 1980s, the main drug trafficking routes were by sea from Yangon and Maulamyine, and by land through Thailand and India. From the mid 1980s, a new passage opened through China-Yunnan to Hong Kong and beyond. By the end of the 1990s, the total poppy growing area in Myanmar was estimated at 151,201 acres, double the area of a decade ago, about half of which was in the Shan State.<sup>40</sup> The cease-fire agreements that the government recently reached with the overlords in the Shan and Kachin states have facilitated the government's counter-narcotic efforts.<sup>41</sup>

While military suppression remained a key strategy, the post-Ne Win government generally adopted a less confrontational stance towards the ethnic minorities. In 1992, the central government established a ministry designated to administer affairs linked to development in the ethnic minority areas. In the years to follow, a Frontier Region Development Law was promulgated, an overall plan for frontier region development was drafted, and funds were appropriated to develop a modern infrastructure there. With other measures, these efforts have reduced the tension between the central

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38 He and Li 2005: 397-98.

39 Within a decade of the KMT forces having arrived in Burma, opium production in the Shan State was estimated to have grown by almost 1,000 percent. See, Alfred W. McCoy, 'Secret War in Burma: The KMT', in Alfred W McCoy with Cathleen B. Read and Leonard P. Adams II, *The Politics of Heroin in Southeast Asia*, <http://www.drugtext.org/library/books/McCoy/book/29.htm>, accessed Feb. 21, 2007.

40 He and Li 2005: 401.

41 Xinhua (<http://english.people.com.cn/2006/08/15/>, accessed October 17, 2006).

government and ethnic forces. From 1989 to 1998, twenty ethnic armed forces (including those of the Wa, Shan, Mon-Thai, Kachin, Kayah) reached cease-fire agreements with the central government; in return, the government granted these areas special administrative status.<sup>42</sup> The Kokang and the Wa dominated areas are now designated the Special Region 1 and 2, respectively. A dozen or so armed forces continue to defy the government; most of these groups are on the border with Thailand and Bangladesh.<sup>43</sup> Some of them have been branded 'anti-government-unlawful-terrorist' organization/associations and are charged by the government with involvement in drug trafficking, counterfeit, arson, and rape.<sup>44</sup>

Under cease-fire agreements, local rulers were permitted to keep their armed forces. However, the financial means that the central government is able to provide constitutes no more than a token gesture. The 30,000 strong United Wa Army, for instance, received only 420,000 Kyat per month; understandably, therefore, a reliable source of revenue for survival continues to be extracted from poppy production and distribution, which has in a way diminished counter-narcotic efforts.<sup>45</sup> Since the 1990s, the central government of Myanmar has increased funds and human resources in its counter-narcotic campaign. Apart from military raids, measures have also included the relocation of the population from opium poppy affected areas, alternative crop cultivation, and the strengthening of international cooperation — in particular, with China and Thailand. The main obstacles to the eradication of opium poppy, in addition to financial strain, are the harsh terrain that is almost impossible for government troops to penetrate, and the sensitivity of ethnic minority affairs. In 1998, the central government announced its goal to eradicate opium poppy within 15 years.<sup>46</sup> The achievement of this goal will very much depend on international cooperation, given the limited financial means that the government of Myanmar has at its disposal.

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42 He and Li 2005: 45-7.

43 Ibid. 48-9.

44 Those singled out are the Shan State Army-South (SSA-S) led by Ywet Sit, the National Coalition Government of the Union of Burma (NCGUB) led by Sein Win, the Federation of Trade Union-Burma (FTUB) led by Hla Oo and Pyithit Nyunt Wai (alias) Maung Maung, the All Burma Students' Democratic Front (ABSDF) led by Than Khe, and the National League for Democracy-Liberated Area (NLD-LA) led by Win Khet (Xinhua <http://english.people.com.cn/2006/08/26>, accessed October 17, 2006).

45 He and Li 2005: 407.

46 Ibid. 424.

More than anything else, the government of Myanmar continues to wrestle with the unabated political opposition. The stalemate with the NLD is not only a domestic issue but also an international one due to the limelight it enjoys in international affairs, the impact of which is not merely political but social and economic as well. After the 1990 election, Aung San Suu Kyi called for international sanctions and came out against all forms of foreign aid that would benefit the Myanmar government, including humanitarian aid.<sup>47</sup> The United States, the European Union, and the United Nations, as well as many international agencies, responded and suspended aid of various forms. Since the 1990 election, the NLD has continuously boycotted the government attempt to draft a new Constitution, and in 1995 the organization announced its withdrawal from the National Assembly, forcing the National Assembly to recess.<sup>48</sup> From 2000 on, there were some initiatives taken by the government to open up a dialogue with the NLD, but talks were only followed by renewed tensions. The clash between the government and the NLD and its supporters in May 2003 triggered new waves of protest and sanctions from the international community.

In the wake of this, the government put forward a roadmap for Myanmar's democratic process, though no specific timetable was included. What appeared to be an optimistic prospect was soon overshadowed the following year by the ouster, together with the foreign minister, of Prime Minister Lt. General Khin Nyunt, the military intelligence chief from the previous government and the architect of the road map for Myanmar's democratic process. Such a major government reshuffle caused some concerns, especially among the ASEAN countries.<sup>49</sup> Speculation rose as to how stable the government could be, linking the fall of Khin Nyunt to the not-so-long-ago foiled coup attempt allegedly by family members of Ne Win.<sup>50</sup> Other than that, however, there seemed to be few signs warranting any imminent collapse of military rule, or the country descending into civil war again.<sup>51</sup> In

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<sup>47</sup> Ibid. 263.

<sup>48</sup> Xinhua [http://newsxinhuanet.com/world/2006-10-10/content\\_5185878.htm](http://newsxinhuanet.com/world/2006-10-10/content_5185878.htm), accessed Feb. 19, 2007.

<sup>49</sup> He and Li 2005: 133-134.

<sup>50</sup> Four of the alleged plotters — Ne Win's son-in-law and three grandchildren — were charged with treason and sentenced to death, while Ne Win's daughter was put under house arrest (*Huaxia wenzhai* <http://www.cnd.org/HXWZ/CM02/cmo209d.gb.html> accessed November 9, 2006).

<sup>51</sup> <http://www.china.com.cn/2006/07/28>.

the middle of October 2006, the National Assembly reconvened in the new government capital after a decade-long recess. The convention is expected to achieve a new draft of the constitution, which will lay down principles regarding the role of parliament; define the role of the military under a new democratic government; define the rules regarding elections and the formation of political parties; and also provide a definition of the Union of Myanmar, along with fundamental rights and responsibilities of its citizens.<sup>52</sup> This process will constitute a major step in state building, long overdue since the time of the country's independence, and will hopefully pave the way to what is officially described as the goal of a 'discipline-flourishing democracy'.

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<sup>52</sup> *The Myanmar Times*, October 16-22, 2006, vol. 17, no. 338; Xinhua 2006/09/10.

## II. Neighborly Relations: Past and Present

The national border, in terms of a sharp line, is a modern concept born with the formation of nation states. On the extended plateau at the foothills of the Himalayas inhabited by ethnically diverse peoples, however, borderlines remained barely relevant to tribal rule until the latter part of the 20<sup>th</sup> century. For the Chinese and Burmese states that asserted sovereignty over the hill tracts in modern times, the issue of a national border had not only political implications, but also socio-cultural ones. The unsettled borderline became increasingly vexing for the post-colonialist Union of Burma as well as for the newly founded People's Republic of China (1949-) under the circumstances in which political integration in each country encountered external interference. The demarcation of the borderline through mutual agreement, however, did not automatically terminate the kinship across the communities on the two sides of the border. Persisting affinities continued to challenge, from time to time, allegiances to the nation state, inevitably causing rifts between the neighboring countries. In peace and war, China and Myanmar have managed in the past century to iron out many differences between them for their own benefit. This is key to understanding Sino-Burmese relations and the present role of China in the issue of Myanmar.

### **The Old Frontier**

The terrain of Myanmar in many ways resembles that of Yunnan in the east on the Chinese side of the border, with mountain peaks ascending in the north and giant rivers descending southward from high to low altitude, forming along the way ravines, basins, and deltas. For over a millennium, influxes of migrants have continuously followed the course of the rivers from north to south; in time, they developed diverse ways of life, which have survived largely owing to geographic seclusion. The cultural centers on either side, in Myanmar and China, exerted only limited influence as far as the local communities in this intractable terrain were concerned.

Around the time when Yunnan became a Chinese province following the Mongol conquest in the 13<sup>th</sup> century, Chinese imperial administration was extended over the territories of the Kachin State and the Shan State in present-day Myanmar, which lasted through the better part of the Qing dynasty (1644-1911). The jurisdiction of the Mengyang and Mubang Pacification Commissions, as they were so designated, reached west to the Irrawaddy and south to Taunggyi. In the late Ming period (1368-1644), the Chinese state retreated from these territories, then recaptured them, only to lose them again after the reign of the Qianlong Emperor (r. 1736-1795). What had been left as reminders of a once troubled border were Chinese place names like Ping-Mian ('Pacifying Myanmar') and Mian-Ning ('Myanmar Tranquility').<sup>53</sup> The imperial territorial claim was, however, a vague one, since actual rule remained in the hands of local chieftains whereas the local population showed no loyalty to either China or Myanmar. In modern times, foreign interference and local warfare further disrupted the order on the border. As borderlines advanced and retreated, people on both sides continued to forge linkages; the term *Paukphaw* ('kin') refers to this intermingling.

The mainstream Bamar people are believed to be a branch of the Qiang (Chiang) who — like many ethnic minorities in northwest Yunnan today — had originally migrated from what is now the northwestern Chinese province of Gansu. The disintegration of the Nanzhao Kingdom (738-902), whose powerful contemporaries in the north included the Tibetan Kingdom and Tang China, seemed to have been catalytic in the unprecedented west- and southbound migration.<sup>54</sup> The Shan are of the same stock as the Dai in Yunnan (related to the Thai in Thailand and the Lao in Laos), whose language belongs to the Dong-Zhuang family (common in southwest China). The Kachin are the same as Jingpo in Yunnan, whereas the Lisu, Wa, Lahu

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<sup>53</sup> The Ping-Mian Pacification Commission, set up by the Yuan, was seated in Longchuan on the border of today's Dehong Dai-Jingpo Autonomous Prefecture of Yunnan province and the southern Kachin State. Mian-Ning was a name given to a border prefecture after the Qing pacification campaign: it was changed to Lincang in 1954 together with a dozen place names in Yunnan deemed derogatory to the ethnic minorities.

<sup>54</sup> He Ping, 'Mianzu xianmin de qianxi yu xiandai de Mianzu xingcheng' (Migration of the Mian Ancestors and the Formation of the Modern Mian People), *Dong-Nan-Ya*, No. 2 (2006), pp. 59-64).



and Bulang are basically indistinguishable from their cousins of the same name living in Yunnan. The Kokang residents in the Shan State are predominantly Chinese-speaking, their ancestors being mostly immigrants from China's southwestern provinces; some arrived as early as during the Ming-Qing period, others in the 20<sup>th</sup> century, including, among them, the retreating KMT forces (numbering in the tens of thousands) and countless refugees from China escaping the chaos of the Great Leap Forward and the Cultural Revolution. The population of Chinese descent currently living in Myanmar is close to 2.5 million. Chinese and non-Chinese alike, the border residents are the ones who have both benefited and suffered in equal measure from the ups and downs of China-Myanmar relations.

### **In the Name of Peaceful Co-existence**

The Union of Myanmar was among the first non-socialist countries to recognize the People's Republic of China (PRC) founded on October 1, 1949. As early as in mid-December 1949, Myanmar notified China of its intention to establish diplomatic relations, and China responded positively on the condition that Myanmar severed all its ties with the KMT.<sup>55</sup> The two countries formally established diplomatic relations in June 1950, notwithstanding that China remained notably wary of U Nu cultivating ties with Great Britain and the United States. On occasion the Chinese government expressed its dislike for the Burmese leadership's readiness to let these two powers influence its country's politics and economy.<sup>56</sup> As the Korean War broke out, with the pro-Peking residents of Chinese descent out on the street in Yangon supporting China, the government of Myanmar reviewed its foreign policy. In 1951, Myanmar voted against the UN resolution on Korea, and in the years that followed the Burmese leadership was seen to be making pointed efforts to distance itself from the Western powers.<sup>57</sup>

For China, having an amicable relationship with Myanmar was equally imperative in a situation where international politics had become

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55 <http://www.fmprc.gov.cn/chn/wjb/zzjg/yzs/gjlb/1271/1272/t5749.htm>, accessed Feb. 28, 2007.

56 *Zhongguo gongchandang xuanchuan gongzuo wenxian xuanbian* (Selected Historical CCP Propaganda Work Documents), 4 vols. (Beijing: Xuexi chubanshe, 1996), Vol. 3, pp. 861-64).

57 Dai Shen-Yu, 'Peking and Rangoon', *The China Quarterly*, No. 6 (Jan.-Mar. 1961), pp. 131-144.

increasingly volatile. In the early years of the PRC, border security posed a great challenge to the new government, as southwest China underwent a major socio-political transformation in the form of land reform, nationality identification, and the designation of regional autonomy, while facing near-constant cross-border incursions by hostile forces.<sup>58</sup> As a peaceful environment was crucial to political stability and economic recovery, China's diplomacy oriented itself towards building friendly relations with neighboring countries. As much as Myanmar relied on China to rein in the anti-government tendencies from the overseas Chinese communities, China was counting on Burmese cooperation in solving longstanding border disputes and maintaining border security.

In June 1954, en route home from Geneva via New Delhi, the Chinese Prime Minister Zhou Enlai visited Myanmar.<sup>59</sup> In talks with his Myanmar counterpart, U Nu, Zhou made a commitment to solving historical issues between the two countries; most importantly: the status of Chinese nationals in Myanmar and border disputes. Reassuring his host and the wider audience in the rest of Southeast Asia, the Chinese PM delivered the statement that a "Revolution cannot be exported, and any attempt to export revolution must suffer defeat".<sup>60</sup> A joint communiqué issued by the two prime ministers at the end of Zhou's visit affirmed that the 'Five Principles of Peaceful Coexistence' (formulated earlier in the Indian capital Delhi) be the foundation of PRC-Myanmar relations. Later in the year, U Nu repaid the visit and met with Zhou Enlai in Beijing. Their talks again revolved around the same issues of Chinese nationals in Myanmar and the anticipated border settlement. On this occasion, the Chinese PM called on "all countries of different systems and different ideology to coexist peacefully".<sup>61</sup> In the summer of 1955, Myanmar opened its Consulate-General in Kunming, the provincial capital of Yunnan.

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<sup>58</sup> The most notorious was the CIA-backed 'Anti-Communist National Salvation Army', made up in part of former KMT officers and soldiers based in Mengmao. During the Korean War their activities escalated. Between 1951 and 1952, three CIA sponsored invasions of Yunnan were launched (<http://www.globalsecurity.org/military/world/Taiwan/nsa.htm>, accessed on February 3, 2007).

<sup>59</sup> Three months earlier, Burma launched its largest military operation against the KMT forces, following the invasion by the KMT of eastern Burma (Alfred W. McCoy, 'Secret War in Burma: The KMT').

<sup>60</sup> *Zhou Enlai nianpu* (Chronology of Zhou Enlai's Life), Beijing: Zhongyang wenxian chubanshe, 1997, vol. 1: 393.

<sup>61</sup> *Ibid.* 428.

At the end of 1956, Zhou Enlai, accompanied by Vice-Premier and PLA Marshal He Long, visited Myanmar again as part of an extended tour of seven Southeast Asian countries. This time round, the hosts and guests already treated each other as 'old friends'. The Chinese government at this point encouraged the Chinese nationals residing in Myanmar to give up their Chinese citizenship and make contributions to the economic development in Myanmar, while advising those who wished to keep their Chinese citizenship to refrain from joining political parties and participating in political activities.<sup>62</sup> In the ten-day duration of their visit, the Myanmar government officials were invited to Yunnan Dehong Dai-Jingpo autonomous prefecture to attend the China-Myanmar Border Folks Festival. In the years that followed, the capital of Yunnan served as the hub for exchange visits between leaders of the two countries. Echoing the Burmese PM U Nu's sentimental remarks on his visit to China that he had "not come to a foreign country but arrived in my own",<sup>63</sup> Marshall Chen Yi, the then Chinese foreign minister, who like Mao Zedong was a poet as well as a calligrapher, wrote a poem *To My Friend* which begins: "I reside at the head of the river, while you dwell at the end; you and I drink the same water, and in eternal affection we bond"... — so paying tribute to the *Paukphaw* ties.<sup>64</sup>

The high point of PRC-Myanmar relations came in 1960, when the two countries had managed to work out and reach agreement about most of the historical issues regarding the border settlement. Task forces were established and border surveys carried out. The border settlement concerned mainly three areas of disputes, with reference to the notes between Chinese and the British governments in 1941. The disputes concerned the following: the Mengmao Triangular Area (or Namwam Assigned Tract) south of Wanding; in the north west of the Nu River the three villages by the names of Pianma (Hpimaw), Gulang (Gawlum), and Gangfang (Kangfang); and also the Wa settlement of what is known in Chinese as Huludi (or the 'Bottle Gourd' Tract) west of the Lancang River. These were the territories that had been spared from reform by the Qing government.<sup>65</sup> As a result, the

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62 Ibid. 647-48.

63 Dai 1961: 138.

64 *Miandian jianshi* (Short History of Myanmar), Beijing: Shangwu yinshuguan, 1979: 78-79.

65 The Qing reform of the local chiefdoms in the 18th century was in part an effort to deepen political integration of the southwest, which took the form of demoting or evicting the

hill tribes in the border region continued to be under the rule of the local chieftains until the 1930s, and in many areas indigenous rule lasted until the mid-1950s. In these isolated enclaves the borderline had never been a concern until the British came to draw a ‘scientific’ frontier, north of Myitkyina, with the move duly arousing the suspicion of the Chinese government.<sup>66</sup> At the end of 1899, the British advanced eastward and met with ferocious resistance from the local forces led by the Lisu chieftains. The Qing government (itself on the brink of collapse) protested against the invasion by the British, who subsequently acknowledged Chinese sovereignty over the territory but did not actually withdraw until 1914, when the McMahon Line was imposed. The Wa frontier was demarcated by the British in 1941, though it was never ratified by the Chinese government; similarly Mengmao was delimited by the British in late 19<sup>th</sup> century to be under ‘perpetual lease’ to Burma.<sup>67</sup>

The 1960 border settlement reverted Pianma, Gulang and Gangfang to China; by the same agreement, the ‘perpetual lease’ of Mengmao Triangular Area was abrogated but, ‘taking into account of the practical needs of the Burmese side’, China agreed to turn over this area to Burma in exchange for the land under the jurisdiction of the Banhong (Panhung) and Banlao (Panlao) Wa communities.<sup>68</sup> The area of Pianma, Gulang and Gangfang is now included in the Nujiang prefecture of Yunnan province. The Banhong and Banlao Wa communities now constitute part of Cangyuan Wa autonomous county in Yunnan.<sup>69</sup> By the terms of this border settlement, China effectively ceded one third of the territory that had been on the map of the Qing dynasty under the jurisdiction of its Tengyue Department — the deal called by the Burmese PM U Nu as ‘fair and reasonable’.<sup>70</sup>

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hereditary chieftains and replacing them with court commissioned officials, subsequently implementing taxation and school education.

66 Tinker 1956: 335-36.

67 Dai 1961: 138-139.

68 For the complete text of the boundary treaty, see the Appendix.

69 In the 1950s, the Banhong and Banlao Wa headmen presented to the provincial government of Yunnan a bottle gourd seal conferred by the Qing emperor, and insisted that they were Chinese (Wang Lianfang, *Yunnan minzu gongzuo huiyi* (Recollection of Nationality Work in Yunnan), Kunming: Yunnan renmin chubanshe, 1999: 101). They made similar claims in the 1930s, when the nationalist government conducted the border survey (Guo, Jiaji, *Yunnan de minzu tuanjie yu bianjiang wending* (Unity of Nationalities and Border Stability in Yunnan), Beijing: minzu chubanshe, 1998: 135).

70 Dai 1961: 138.

In January 1960, Ne Win signed in Beijing with the Chinese government the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression and the Agreement on the Boundary Question. In April, Zhou Enlai visited Myanmar en route to India accompanied by Foreign Minister Chen Yi. On the eve of the PRC National Day, U Nu and Ne Win both arrived in Beijing with a 300 member delegation, and in the Great Hall of the People on October 1 signed together with the Chinese government the Boundary Treaty Between the People's Republic of China and Union of Burma, thus putting an end to the border question — “a result of the long-term aggressive policy of imperialism”, as put by the Chinese PM Zhou Enlai in his speech delivered on the day the boundary treaty was signed.<sup>71</sup> The treaty was ratified in Yangon in the following year. In between, China and Myanmar joined forces in military action to eradicate the KMT remnants.<sup>72</sup>

Immediately after the New Year of 1961, Zhou Enlai led a delegation to Yangon, which included Foreign Minister Chen Yi and PLA Chief-of-Staff Luo Ruiqing, to attend the thirteenth anniversary celebrations of Myanmar's independence. The delegation was 400- strong, the biggest ever to visit the country since the founding of the PRC. It included representatives from the military, art and cultural circles, the joint border survey commission, the Yunnan provincial government, religious associations, sports and the media. PRC-Myanmar relations in this period displayed distinct anti-imperialist overtones. With an emphasis on neighborly friendship, differences in political systems were played down. Hence when Ne Win took power, China merely stood by; similarly, Myanmar showed considerable understanding for the Chinese position during the Sino-Indian border crisis. The exchange of state visits and festivities continued after the border treaty had been signed and, as China recovered from the catastrophe of the Great Leap Forward, bilateral talks began to shift to economic cooperation. In the summer of 1965, Ne Win visited China again. By now Mao's last revolution (the 'Great Proletarian Cultural Revolution') was looming large on the horizon. It would not only throw China into turmoil for the better part of a decade, but also

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<sup>71</sup> *Peking Review*, No. 40 (1960): 35.

<sup>72</sup> The campaign began in November 1960 and ended in February 1961, followed by the CIA evacuation of 4,200 of the KMT 'Anti-Communist National Salvation Army' men to Taiwan, and a further 6,000 to Laos (<http://www.globalsecurity.org/military/world/Taiwan/nsa.htm>, accessed on February 3, 2007).

disrupt PRC-Myanmar relations that so far had been bound by a treaty of non-interference.

### Regime Change through Revolution

The turmoil of the 1960s was intimately linked to Mao's changing priorities and perceptions. The aftershock of the break-up with the USSR, the deteriorating relations with India, the on-going Vietnam War and escalating US involvement in Southeast Asia, and China's increasing isolation in the international community, all contributed to the CCP Chairman's paranoia. The Cultural Revolution launched in 1966 as a pre-emptive strike against domestic 'revisionism' was in reality an attempt to revive Mao's own personal influence inside and outside China. The Cultural Revolution mounted assaults on institutional establishments and brought down high-level leaderships across China.<sup>73</sup> Overseas, 'Mao Zedong Thought' was propagated through a variety of channels, including the Chinese diplomatic corps, in anticipation of a high tide of revolution.<sup>74</sup> While Mao in Beijing told his Red Guards that 'to rebel is justified', the CCP apparatus sought to facilitate regime change abroad by coming to the aid of guerrilla-style warfare and insurgencies in countries of Latin America, Africa, and not least Southeast Asia.<sup>75</sup> The tactics adopted towards each country, however, differed. In contrast to its open aid to Vietnam, Laos, and Cambodia, the Chinese mission in Myanmar was covert because of the standing non-interference treaty between the two countries.

After the CPB had been expelled from the anti-fascist coalition at the end of WWII, the party split into two factions – the Red Flag and the White Flag/Elephant – as a result of internal struggles between party leaders. The Red faction was popular among intellectuals and the middle class in general, and its leader was Thakin Soe, labeled a Trotskyist by his rivals. The White faction led by Thakin Than Tun, the alleged brother-in-law of Aung San,

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73 The definitive history of the Cultural Revolution decade is Roderick MacFarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge Mass.: The Belknap Press of Harvard University Press, 2006).

74 See Ma Jisen, *Waijiaobu Wenge jishi* (The Cultural Revolution in the Foreign Ministry of China), Hong Kong: Zhongwen daxue chubanshe, 2003.

75 Cheng Yinghong, [http://www.usc.cuhk.edu.hk/wk\\_wzdetails.asp?id=5577](http://www.usc.cuhk.edu.hk/wk_wzdetails.asp?id=5577) accessed November 9, 2006. Also see Li Danhui (ed), *Zhongguo and Yindu zhina zhanzheng* (China and the Indo-China War), Hong Kong: Tiandi tushu, 2000.

favored a 'people's war' in the Maoist tradition. The influence of the former was predominantly in the northwest, whereas the latter set up its HQ in Pyinmana (today the new administrative capital of Myanmar), Bago (Pegu), and later expanded its influence in the northeast of the country. In 1950-1951, the U Nu government launched a major clampdown on the CPB, forcing its guerrillas to retreat back into the jungle. In October 1953, the CPB was formally declared an illegal organization by the government.<sup>76</sup>

Between 1949 and 1953, Than Tun sent three batches of senior cadres to China to receive training. Some studied in the CCP Central Party School in Beijing, whereas others studied in the Yunnan Nationality Institute in Kunming and the Marxism-Leninism Institute in Chongqing.<sup>77</sup> Among them was the CPB Vice-Chairman, Thakin Ba Thein Tin, a staunch supporter of the CCP in its conflict with the CPSU, who was to spend the next 20 years of his life in Beijing. By the mid-1950s, the CPB elite members, having completed their political study in Beijing, were transferred to a Military Academy in Sichuan. In 1961, they were assigned to the PLA 54<sup>th</sup> Corps to hold posts at Division and Regiment levels.<sup>78</sup>

In 1963, PRC Chairman Liu Shaoqi visited Myanmar, a year after Ne Win seized power. Generally speaking, the Chinese leadership had so far maintained a cordial relationship with Ne Win, who was given much credit for his instrumental role in the border settlement.<sup>79</sup> The timing of Liu's visit was crucial with the Sino-Soviet Polemic unfolding and the ruling party of Myanmar launching its 'Burmese Way to Socialism'. The visit was dominated by talks revolving around socialism. Keen to win over Ne Win in the row with the Soviet Union, Liu Shaoqi offered his account of China's experience of socialist transformation. Pointedly, he told Ne Win that central to the success of socialism was the political party and the majority support it was able to enjoy, all of which depended on the cooperation between the party and other forces. On this occasion, Liu tactically explored possibilities with Ne Win to reconcile with the CPB, but received no positive

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76 Smith 1999: 125.

77 Ibid. 156.

78 Yang Meihong, *Yingsu huahong: wozai Miangong 15 nian* (Red Poppies in Bloom: My 15 Years in the CPB), Hong Kong: Tiandi tushu Lit. 2001.

79 Cheng Ruisheng 2006: 43-44.

response.<sup>80</sup> The impasse may have been the beginning of the rift between the Chinese leaders and Ne Win.

At the on-set of the Cultural Revolution (summer 1966), the CPB elite members that had received training in China were summoned to Beijing and had an audience in the Great Hall of People with the Premier Zhou Enlai, who announced that it was time for them to go home and make revolution in Myanmar.<sup>81</sup> Upon their return they opened a new resistance base in the northeast, on the border with China, thus marking the birth of what became known as the CPB North-East Command (NEC). Compared to guerrilla forces elsewhere in Myanmar, the NEC was the most privileged in that its combat force was fully equipped with a Chinese supply of modern weaponry including tanks, trucks, and communication equipment in addition to infrastructure support (roads, bridges, and local hydro-electricity projects); its casualties were also routinely evacuated across the border to Yunnan.<sup>82</sup> Among the CPB insurgent forces, there were PLA advisors numbering in the hundreds.<sup>83</sup> As it happened, the 54<sup>th</sup> Corps (loyal to Lin Biao), where the CPB elite had allegedly served earlier, happened to be redeployed to west Yunnan during the same period.<sup>84</sup>

Chinese support for the people's war also maximized the historical *Paukphaw* ties. Mao is said to have encouraged cross-border communist leaders to recruit soldiers among the ethnic minorities in China and offered Chinese territory as a rear base.<sup>85</sup> A large NEC contingent on the Myanmar side was recruited from among the ethnic minorities.<sup>86</sup> They were joined by the remnants (numbering in the hundreds) of the so-called 'First Kachin Rifles', who had been given sanctuary in China's Guizhou province after the unsuccessful Pwng rebellion of 1949-50.<sup>87</sup> In addition, there were thousands

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80 Ibid: 61-64.

81 Yang Meihong, 2001: 68-9.

82 Smith 1999: 248.

83 Robert A. Holmes, 'China-Burma Relations since the Rift', *Asian Survey*, Vol. 12, No. 8 (Aug. 1972), p. 688.

84 *Dangdai Yunnan dashi jiyao* (Outline Chronology of Major Events in Contemporary Yunnan), Beijing: Dangdai Zhongguo chubanshshe, 1996.

85 Cheng Yinghong, 2006.

86 The NEC Commander-General was Kachin (Yang Meihong 2001).

87 Smith 1999: 251.



of Chinese from Yunnan, locals, and sent-down youths from other cities.<sup>88</sup> They were of various backgrounds and included the children of high-ranking officials persecuted during the Cultural Revolution, state farm workers escaping hard labor, and desperate and homeless people of every conceivable kind. One of the thousands was Yang Meihong who, at the age of 15, having lost both her parents and been jailed for months charged with assaulting an official involved in the death of her father, left her hometown Baoshan and joined the NEC across the border. After two months of training in Unit No. 106, she fought her first battle. In her memoir *Red Poppies in Bloom: My Fifteen Years in the CPB*, she gives an intriguing account of the ups and downs of the CPB as well as her own rise in the ranks from an ordinary soldier in a Detachment of Women to a combat staff officer at the NEC headquarters.<sup>89</sup>

With military and moral support from China, the CPB evolved into the most formidable insurgency force active in northern Myanmar. At its peak, the Cultural Revolution spilled over the border and the Chinese style class struggle imported by the CPB leaders was to cost the resistance movement dearly. In the NEC offices, the portraits of Mao and his closest comrade-in-arms were displayed on the walls; everyday rituals of 'asking for instructions in the morning and reporting back in the evening' were observed; at every meeting, passages from the 'little red book' the *Quotations from Chairman Mao* were reiterated.<sup>90</sup> As far as the visual trappings of radical politics were concerned, there seemed to be little difference on the two sides of the border. The Chinese youth who joined the CPB to escape the horrors of the Cultural Revolution that had shattered their lives and careers back home in China, were yet to witness the no less savage and bloody political struggles within the CPB. A purge began in April 1967 and continued until the following year, when some of its final victims were saved, ironically, by an assault launched by government forces in the autumn. Those whose heads meanwhile had rolled (literally, as the execution typically took the form of decapitation) included members of the Politburo as well as senior military commanders, who had once formed the inner circle of the CPB leadership. Some were

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88 The sent-down youth were middle-school graduates from cities, assigned to work in rural People's Communes or state farms.

89 Yang Meihong 2001.

90 Ibid. 110-113.

accused of being foreign spies,<sup>91</sup> while others were charged with ‘walking the capitalist road’. Dozens, of which eight were members of the CPB Politburo, who had at one point or another expressed dissenting views from Than Tun, were ‘struggled’ and then executed.<sup>92</sup> In the event, the CPB Chairman was himself assassinated by his own bodyguard.<sup>93</sup>

### Face-Off

While aiding the CPB, the PRC government maintained a normal relationship with the government of Myanmar,<sup>94</sup> which would support the claim that the CCP since 1949 ‘has always distinguished between “party to party” and “government to government” relations with other countries’.<sup>95</sup> The radicalism of the Cultural Revolution was yet to stretch the normality of the relationship between the government of Myanmar and China to the limit.

As the cult of Mao unfolded in China, students of Chinese descent in Yangon, encouraged by the staff of the Chinese Embassy, began to disseminate Mao Zedong Thought, flaunting Mao badges on campuses and in the streets and distributing Mao’s little red book.<sup>96</sup> Unfortunately for the students, the wearing of Mao badges in public was seen by some as no less provocative an act than when badges were distributed, in the colonial past, to young people to express their allegiance to the British monarchy.<sup>97</sup> Hence, the Burmese authorities quickly banned the display of Mao badges. The students’ refusal to heed the order backfired and was followed by the expulsion of students of Chinese descent from universities and the shutting down of Chinese schools. Thousands took part in the anti-Chinese riot in Yangon in June 1967, during which the Xinhua (‘New China’) News Agency

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91 Among the CPB elite, quite a few had studied in India, and some were Indian-born.

92 Holmes 1972: 690. In one account, the total number of members executed was 77 (Yang Meihong 2001: 142).

93 One source claims that the bodyguard was a government agent who took the opportunity as Than Tun was fleeing from government suppression (Smith 1999: 234). Another source suggests that the bodyguard was an orphan whose foster-father had been among the senior military commanders first beheaded on the order of the CPB chairman (Yang Meihong 2001: 144-145).

94 Ma Jisen 2003: 149.

95 Smith 1999: 156.

96 Holmes 1972: 686-87.

97 *Wenzhai zhoubao* <http://www.armsky.com/read/character/200607/5372.html>, accessed November 9, 2006.

office and the Chinese Embassy were attacked, with one staff member being stabbed to death. In the event, the Chinese-Burmese were beaten up in the streets while their property was looted and set ablaze; dozens were killed and many injured. In the week that followed, the Chinese government presented notes and issued strong statements to the Myanmar government, and further suspended the sending back to Yangon of its ambassador who had been recalled home. Successive demonstrations in Beijing saw millions of people surround and protest outside the Embassy of Myanmar. Not only were complaints from the Ne Win government totally ignored by the Chinese, but the demonstrators in Beijing demanded to ‘hang Ne Win’ and ‘deep-fry Ne Win’ — echoing Mao’s support for the popular slogan ‘Down with Ne Win’.<sup>98</sup>

Discrimination against Chinese nationals in Myanmar was nothing new — Ne Win’s ‘Burmese Way to Socialism’ had nationalized private enterprises, many of them owned by Chinese, and those of Chinese descent found themselves systematically excluded from prestigious institutes such as medical schools.<sup>99</sup> Yet the anti-Chinese riot in 1967 in Yangon was probably by far the most ferocious attack on the Chinese community in Myanmar since its independence. The event sparked the emigration of many Chinese Burmese, while others joined the CPB insurgent forces. As the mass protest in Beijing and Yangon escalated, China called off its aid to Ne Win, while the Xinhua News Agency broadcast statements urging the Burmese people to support the CPB in overthrowing Ne Win’s government. To further humiliate Ne Win and his government, China began to allow CPB leaders residing in China to appear in public settings. Showing no sign of capitulating, Myanmar recalled its ambassador from Beijing and terminated the Chinese economic aid program.<sup>100</sup>

While the two countries continued to exchange hostility verbally, Ne Win took the step of fence-mending and a voice to rebuild ‘friendly relations’ with neighbors began to resurface. In 1970, China and Myanmar agreed to reinstate their ambassadors in each other’s capitals.<sup>101</sup> In the following year,

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98 Ma Jisen 2003: 148-149.

99 Maung Chan, <http://www.100osite.com/92/19567.html>, accessed November 9, 2006.

100 Holmes 1972: 687-88.

101 Ibid. 694-96.

Ne Win visited China.<sup>102</sup> He met with Zhou Enlai five times to discuss bilateral relations, and both leaders expressed deep regrets about what had happened between the two countries in 1967.<sup>103</sup> Interestingly, on one occasion, Zhou mentioned the fact, though in a seemingly casual manner, that Ne Win had visited the United States during that period.<sup>104</sup> With hindsight, this anecdote might shed some light on why Mao had all of a sudden changed his attitude towards Ne Win back then. As a sign of improvement in bilateral relations, Zhou Enlai on this visit assured Ne Win of China's aid to Myanmar under the 1961 economic agreement. Later that year, Myanmar voted with the majority of UN member states in favor of having the PRC replace the ROC as the holder of China's seat in the UN<sup>105</sup>. A true normalization of the PRC-Myanmar relations was, however, still some years away.

Ne Win returned to China in November 1975, shortly after the death of CPB Chairman Zin, apparently seeking Chinese cooperation in dealing with the CPB insurrections as well as continued economic aid. The timing was, however, not in his favor, as the Chinese PM Zhou Enlai was in his final days battling with cancer. The first significant break-through in PRC-Myanmar relations came only after the death of Mao. With the reinstatement of Deng Xiaoping in 1977 and his plans to modernize China, the CCP reviewed its history and, at a landmark plenum of the party Central Committee in December 1978, abandoned the ideology of class struggle. At the same time, in international affairs, the ideology of exporting revolution and the policies and practices in which it had found expression were also abandoned. As China began to prosper along with a series of reforms in agriculture, industry and foreign trade, the CPB was left to face its own demise deep in the jungle.

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<sup>102</sup> Two months earlier, Myanmar terminated the US military aid program (Holmes 1972: 692).

<sup>103</sup> *Zhou Enlai nianpu* 1997, vol. 3: 473.

<sup>104</sup> *Zhonghua renmin gongheguo waijiao dashiji* (Record of Major Events in the Foreign Affairs of the People's Republic of China), Beijing: Shijie zhishi chubanshe, 2002, vol. 3: 420.

<sup>105</sup> Holmes 1972: 697-98.

## Revolution Failed

Between 1967 and 1973, the CPB fought hundreds of battles, exacting a heavy toll. Like all other political parties in Myanmar, the CPB failed to build a wide alliance with other insurgent forces, in particular, the ethnic minorities, and its reckless tactics prone to violence won its resistance little public support.<sup>106</sup> The campaign against insurrections, mounted by government forces in 1974, almost wiped out the CPB in central Myanmar. In the following year, the CPB Chairman Thakin Zin, successor to Thakin Than Tun, was shot dead by government troops. This event finally brought back Ba Thein Tin from Beijing to lead the CPB insurgency, whereupon he set up the CPB HQ in the northeast on the border with China. Backed up by the Chinese, the CPB enlisted some local armed forces, including one led by Peng Jiasheng (Pheung Kya-shin) from the Chinese enclave of Kokang. Peng Jiasheng is a local legend whose grandfather had originally come from Sichuan; the Peng brothers had organized a local vigilante corps and fought the government troops unabatedly for their own existence. Initially, Peng flatly turned down the proposal to join the CPB, and only cooperated after the Chinese had threatened to cut his ties with China. His forces were eventually incorporated into Unit 404, bolstered by the further inclusion of some 100 PLA men from Yunnan across the border; of the six Battalions (fully equipped by the PLA) that made up Peng's reorganized forces, two were staffed by sent-down youth from Sichuan, Shanghai, and Kunming.<sup>107</sup> The united front with Peng Jiasheng was part of the CCP strategy aimed at eliminating once and for all the final remnants of the KMT forces in the region that had vexed China since 1949. Some of the battles fought with this aim in mind were successful.

In 1980, a high-level CPB delegation was arranged to visit China. They traveled in PLA vehicles across the border entering Simao, Yunnan. From there, they were taken to the provincial capital of Kunming, and boarded a plane to Xi'an, the capital of Shaanxi province, some 1,200 kilometers to the north. The local officials there organized a tour of Yan'an and Nanniwan, the heartland of the legendary 'base area' which the Red Army had set up at the end of its Long March and where Mao Zedong and the CCP had survived

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<sup>106</sup> Holmes 1972: 690-91; also see Yang Meihong 2001.

<sup>107</sup> Yang Meihong 2001: 241-44.

the blockade and hardships during the Sino-Japanese War. From this ‘holy site’ of the Chinese revolution, the CPB delegation was escorted to the province of Jiangxi, in southeast China, where they visited Jinggangshan, the cradle of the Red Army and the starting point of the Long March. All of these sightseeing sites appeared to be deliberately selected by their hosts with the protracted and difficult history of the CCP in mind, and it soon dawned on some members of the delegation that the tours were intended to make an educational point emphasizing self-reliance.<sup>108</sup> Finally, the delegation arrived in Beijing to meet with Qiao Shi, then Deputy Director of the CCP Central International Liaison Department.<sup>109</sup> The message he conveyed to them could not have been possibly embraced with enthusiasm and, to their dismay, the members of the delegation were told that the CCP had decided to stop its aid to the revolution in Myanmar, hoping that the CPB would from now on take its own revolutionary path. To his somewhat disheartened audience, Qiao went on reassuring that China would allow for a five-year period of transition so that the CPB could have time to adjust to the change.<sup>110</sup> In 1985, the CCP formally terminated all its support for the CPB.

Prior to the CPB delegation’s visit to China, PLA advisers had already started pulling out of northeast Myanmar. Although goods of necessity kept being delivered as China had promised, the change in CCP policy constituted a serious setback for the CPB that had over the decades grown dependent on and prospered from the generous support from China. The change was experienced as ‘an abrupt weaning’ and was received with noticeable self-pity. The first to falter were high-ranking officials, who desperately turned their sights on cash. The CPB Central Finance Department at the time authorized the so-called ‘May 1<sup>st</sup> Plan’ to raise funds. The auspicious date had nothing to do with labor movement of any sort; rather, the task was specially designed to procure opium.<sup>111</sup> Relying on its well-equipped armed forces, the CPB was successful in replenishing revenue to temporarily sustain its administration and army. This lucrative business, however, turned out to be the privilege of high-ranking officials and their spouses, and widespread

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108 Yang Meihong, the author of *Yingsu huahong: wozai Miangong 15 nian* (2001) was a member of the delegation.

109 Qiao Shi became Director of the CCP Central International Liaison Department in 1982-1983.

110 Yang Meihong 2001: 263.

111 Ibid. 265.

corruption soon demoralized the army. The CPB leadership found itself embattled not only by the desertion of its soldiers, but also by the surge in divorces sought by the Chinese wives of the CPB senior officials, who now chose to return home to China with their children.<sup>112</sup> Despair caused by their families falling apart and the failure of their revolutionary cause drove many high-ranking officers to suicide. The final blow came as Peng Jiasheng mutinied, while the younger generation in the CPB seized power. Unlike the older generation, the young rebels (many from China) that came to power spared the life of the CPB veterans; some of them were subsequently relocated to Yunnan, Guizhou and Sichuan, through a special agreement with China.<sup>113</sup>

The mutiny was in effect a fight for control of opium production and trade, which nevertheless paved the way for the later reconciliation of the Myanmar government with the insurgent forces, as the insurgents further disintegrated amid intensified narcotic trade and territorial expansion. To make a living and to get rich, like their cousins in China, the local armed forces in Myanmar – communist or not – all went into the business of opium production and distribution. China's open-door policy and the revival of border trade came to facilitate drug trafficking across the border. The drug trade routes that had been concentrated in the south in the past, on the border with Thailand and Laos, now turned northward, and southwestern Yunnan (Dehong and Lincang in particular) bore the brunt of the narcotic epidemic. The Shan State was a major opium poppy growing area. Peng Jiasheng, the defected CPB fighter, gained notoriety as a drug lord.<sup>114</sup> The United Wa Army (having broken with the CPB) also became heavily involved in drug trafficking, and the former sent-down youths who had joined the CPB turned into the backbone of the trade.<sup>115</sup> The ceasefire agreements with the Myanmar government over the years have gradually contributed to stability in the area, as the two dominant drug 'cartels' are now incorporated into the administrative set-up as the No. 1 and 2 Special Regions of the Shan State; but which are in reality self-governed by local strongmen. The agricultural program subsidized by the Chinese government has meanwhile provided

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112 Yang Meihong, the author of *Yingsu huahong: wozai Miangong 15 nian* (2001), herself was married to a CPB high-ranking official and returned to Yunnan with her two children in 1982.

113 Yang Meihong 2001: 276-77.

114 Fazhi zaixian (<http://www.sina.com.cn> 2006/06/22).

115 <http://blog.sohu.com/members/sinoliberal/530284.html> accessed November 9, 2006.

alternative sources of income as a long-term strategy to eliminate opium poppy production (see Part III).

### Normalization of Relations

As in the early 1950s, China at the end of the Cultural Revolution once again encountered hostility and misgivings from its Southeast Asian neighbors. Like Zhou Enlai after the founding of the PRC, Deng Xiaoping realized, at the onset of China's economic reform, the imperative of improving relations with the Southeast Asian countries.<sup>116</sup> In September 1977, Ne Win visited China again. His Foreign Minister, on a 'casual' occasion, engaged in an exploratory conversation with an official from the Chinese Foreign Ministry about the possibility of a visit by Deng Xiaoping to Myanmar.<sup>117</sup> At the beginning of the following year (January 1978), Deng visited Myanmar, the first visit to a foreign country by the highest Chinese leadership in the wake of the Cultural Revolution. Echoing Zhou Enlai's speech in the 1950s, Deng stated (as quoted in an editorial in the *New Light of Myanmar*) that "A country's system can only be decided by the people of that country themselves, and should not be imposed by another country". Ne Win responded by saying that "Whenever there is rift between us, we must attach the utmost importance to friendship, and show tolerance, patience and determination, so that there will be no problems that cannot be solved".<sup>118</sup> As a friendly gesture, Deng Xiaoping in his farewell speech said to his host that China's economic assistance to Myanmar in the past was 'insignificant', and pledged to do more in the future.<sup>119</sup> In November 1978, Ne Win once again visited China and met with Deng Xiaoping. These frequent meetings in this period may have been crucial to the CCP's decision to break with the CPB.

With the normalization of relations between the two countries, the Kunming-Yangon route became the focal point of recurring state visits, and the provincial government of Yunnan played a key role in facilitating bilateral relations. The student movements in the two capitals in 1988-89 also

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<sup>116</sup> See also Niklas Swanström, *Foreign Devils, Dictatorship, or Institutional Control: China's Foreign Policy Towards Southeast Asia*, Uppsala: Uppsala University, Dissertation, 2001: 84-6.

<sup>117</sup> Cheng Ruisheng: '1978: Deng Xiaoping's First Foreign Visit after Being Reinstated' <http://www.cppcc.gov.cn/rmzxb/cqzk/200408190038.htm>, accessed November 9, 2006.

<sup>118</sup> *People's Daily* 2004/08/20.

<sup>119</sup> Cheng Ruisheng (<http://www.cppcc.gov.cn/rmzxb/cqzk/200408190038.htm>, accessed November 9, 2006).



put the government of Myanmar and China into the international spotlight. ‘Unpopularity’, it could well be said at the time, played its part in consolidating ties between the governments in Yangon and Beijing. What may have constituted a symbolic gesture of empathy was the state visit to Myanmar in 1994 by the then Chinese PM Li Peng, a hardliner behind the suppression of the student movement in Beijing in 1989, who was, in effect, *persona non grata* in much of the rest of the world. As China’s economic reform deepened, Yunnan in the mid 1990s adjusted its development policy, giving priority to ethnic minority cultures while placing at the forefront its ties with Southeast Asia (see Part III). The Myanmar Consulate-General in Kunming re-opened after having been closed for thirty years; trade, investment, and cooperation in law enforcement across the border meanwhile all took off. As business with China grew, Myanmar adopted a different attitude toward Chinese influence; in sharp contrast to the 1960s not only are customs officers now eager to master spoken Chinese, college graduates too are said to earn higher incomes if they have a command of the Chinese language.<sup>120</sup>

The year 2000 was a high point in China-Myanmar relations, reminiscent of 1960. To celebrate the 50<sup>th</sup> anniversary of the establishment of diplomatic relations, the then Chinese Vice-President Hu Jintao and the Vice-Chairman of SPDC Maung Aye paid visits to each other. The following year, the Chinese President Jiang Zeming visited Myanmar, the highest level of state visit so far. The Chairman of the Myanmar SPDC, Than Shwe, paid a return visit in 2003. In the same year, the Director of the CCP Central Committee International Liaison Department visited Myanmar, as part of his tour of Southeast and South Asia. The latest visit to China by the Myanmar PM General Soe Win was in 2006, in the company of a number of ministers in charge of Foreign Affairs, Commerce, National Planning and Economic Development, Energy, Hotels and Tourism, and Rail Transportation. Other venues such as the ASEAN summits have also provided opportunities for government officials of Myanmar and China to meet and exchange views.

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120 The average salary discrepancy between Burmese, English and Chinese speaking employees (in that order) is as follows: 2,000, 3,000, 5,000 Kyat (Maung Chan).

Along with economic cooperation, military ties between the two countries have also been strengthened. From 1991 to 2004, PLA senior officials — including the Deputy Chief of General Staff, the Defense Minister, the Deputy Chairman of Military Commission, and the Chief of General Staff — visited Myanmar five times.<sup>121</sup> In his meeting with Tin Aye, Chief of Defense Industries of Myanmar, in 2006, Liang Guanglie, member of the Central Military Commission and Chief of the General Staff of PLA, acknowledged ‘healthy and stable development’ in military relations between the two countries. He pledged that through “adhering to the principle of building friendship and partnership with neighboring countries and the policy of fostering an amicable, peaceful and prosperous neighborhood, China will cement the friendship with Myanmar and deepen mutual-beneficial cooperation”.<sup>122</sup> For both countries now, development and stability are the paramount concerns. Accordingly, therefore, it is economic cooperation and border security that primarily sustain the renewed China-Myanmar relations (see Part III).

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<sup>121</sup> He and Li 2005: 289.

<sup>122</sup> Xinhua 2006/08/25.

### III. Cross-Border Cooperation: Business and Security

The old Chinese wisdom attributes ‘opportunities of time vouchsafed by Heaven, advantages of situation afforded by the Earth, and the union arising from the accord of Men’ to the success of grand ambitions.<sup>123</sup> The development of Yunnan in modern history has indeed been the result of taking all these advantages. For decades, from the fall of the Qing dynasty (1911) to the end of the Chinese civil war (1949), the southwestern province enjoyed *de facto* independence in terms of economy and defense under the rule of a succession of warlords (predominantly ethnic Yi). The Kunming-Hanoi railway and the Yunnan-Burma road facilitated trade between Yunnan and Southeast and South Asia. World War II brought further economic boom to the province, as northwest Yunnan became the only remaining entry port in China. After the socialist transformation of the 1950s, the southwestern border was closed and trade ceased, as China turned inward in its development. The economic reform launched three decades later reopened the border for trade, and Yunnan was quick to respond to the opportunity. Utilizing its unique geographic position and *Paukphaw*, the southwestern province turned its attention westward and southward, opening a new frontier. The cooperation across the border has not only contributed to economic boom but also border security.

#### The New Frontier

Yunnan province presently shares an approximately 4,000 kilometer-long border with Myanmar, Laos, and Vietnam. The province has a population of over 40 million, one third of which is made up of ethnic minorities. Of the total 55 officially identified minority nationalities in China, 25 are living in Yunnan, and more than half of them are found on both sides of the border

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<sup>123</sup> Mencius Book II, Kung-sun Ch'ow Part II.

with Vietnam, Laos, and Myanmar.<sup>124</sup> In terms of administration, the province is divided into 16 prefectural units, half of which are designated to ethnic minorities. Along the 2,000 kilometer-long border with Myanmar, there are six Yunnan prefectures, and three of them are designated to ethnic minorities: the Lisu in Nujiang, the Dai-Jingpo in Dehong, and the Dai in Xishuangbanna. Across the Lincang and Simao prefectures, there are three Wa autonomous counties: Ximeng, Cangyuan, and Gengma. As the national borderline zigzags through villages, it is not uncommon for one village to be split down the middle with half of the relatives living in China and the other half in Myanmar.<sup>125</sup>

Owing to geographic proximity and kinship, parts of the Shan State, in particular the Wa-controlled territory and Kogang, have a closer relationship with Yunnan than other parts of Myanmar. The capital of the Kachin State has a large Chinese population, estimated at tens of thousands; many are first and second generation immigrants from Yunnan venturing to 'make a fortune' on the Myanmar frontier. Cultural ties and road access put Yunnan in a unique position as a facilitator of trade and investment between China and Myanmar. In this regional development, the provincial government has taken an active and leading role, not only rallying forces from all directions within the province, public and private alike, but also maximizing support from the central government in Beijing. On this historical frontier, local (manifested in economic growth) and national (in terms of security) interests converge under the banner of regional development.

### Going West as a Development Policy

In international relations, internal dynamics are often the sources of change, and the present development across the Sino-Burmese border is no exception. In its second decade, China's economic reform came to grapple with the enlarged gap between the eastern and western regions in every sector, be it GDP, or household income, or government revenue. In the second half of the 1990s, policy-making at the highest level viewed with some urgency the need to tackle uneven development across the country. Following the landmark

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<sup>124</sup> They are Zhuang, Dai, Buy, Miao, Yao, Yi, Hani, Jingpo, Lisu, Lahu, Nu, Achang, Dulong, Wa, Bulang and De'ang.

<sup>125</sup> Today, children on the Myanmar side are going to school in Wanding (Dehong Dai-Jingpo autonomous prefecture) across the border (*People's Daily* 2006/10/30).

fiscal reform in 1994 – that restructured and strengthened the revenue share by the central government – China launched its grand plan to develop the western region.<sup>126</sup> The plan covers up to 70 percent of China’s territorial expanse, including 12 provincial level units.<sup>127</sup> Development is focused on infrastructural construction (particularly energy and communication) and ecological preservation (rectifying deforestation and desertification), in addition to tackling poverty and stimulating household income.

Heeding the national development plan, in the mid-1990s the provincial government of Yunnan launched its grand scheme to ‘build up a great province of ethnic cultures’. It was aimed at turning Yunnan’s ethnic minority cultures into development capital, and tourism was to become a pillar industry. In this pursuit of what has been identified elsewhere as ‘cultural regionalism’,<sup>128</sup> Yunnan highlighted its advantage by exploiting cultural affinities with Southeast Asia.<sup>129</sup> As the Yunnan economy began to pick up speed, the development of China’s western region brought new opportunities to the province on the periphery. In its Tenth Five-Year Plan (2001-2005), the provincial leadership envisioned Yunnan to become (in addition to a great province of ethnic minority cultures) a ‘dynamic province of green resources’ as well as a ‘grand passageway to Southeast Asia’ and beyond.

Being a peripheral province and generally disadvantaged in infrastructure compared to China’s coastal region, Yunnan has little to offer in developing industry that has quickly enriched other Chinese provinces since the beginning of the economic reform. On the other hand, as a province that has a large ethnic minority population and an extended border with a number of foreign countries, Yunnan is in a very good position to draw attention from the central government in policy making. In the early decades of China’s economic reform, Yunnan enjoyed a favorable revenue arrangement with the

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126 For the 1994 fiscal reform, see Xiaolin Guo, *Readjusting Central-Local Relations in Revenue Distribution: China’s 1994 Fiscal Reform*, published as *Chinese Studies in Economy*, Vol. 29, No. 4 (July-August), 1996.

127 They are: Chongqing municipality, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, and Qinghai provinces, Tibet, Ningxia Hui, Xinjiang Uighur, Inner Mongolia, and Guangxi Zhuang autonomous regions.

128 Tim Oakes, ‘China’s Provincial Identities: Reviving Regionalism and Reinventing “Chineseness”’, *The Journal of Asian Studies*, Vol. 59, No. 3 (August 2000), pp. 667-92.

129 Yunnan shengwei xuanchuanbu (ed), *Zouxiang 21 shiji de Yunnan minzu wenhua* (Towards 21st Century: Yunnan Multiethnic Cultures), Kunming: Yunnan renmin chubanshe, 1999.

central government, similar to those granted to the five ethnic minority autonomous regions. The current development of China's western region has effectively made Yunnan a 'special economic zone' in terms of revenue sharing, support for poverty alleviation, and access to special funds for local development. While China is shifting its focus to development in the western region, the southwestern province, possessing few advantages in competing with other provinces in the domestic market, has turned further west towards the countries on the Indo-China Peninsula in search of economic opportunities.

Along with the decentralization of economic power, China's economic reform has seen increased involvement of the provinces in national foreign affairs, exploiting opportunities of the open-door policy; notably, their involvement in foreign affairs has been largely dependent on a number of factors: first of all, location; secondly, central government policy; and thirdly, local development strategies.<sup>130</sup> China's geo-strategy in the reform era has enabled Yunnan, the southwestern border province, to successfully get the central government involved in local development, in terms of both policy-making and financial support. As was revealed in its grand action plan, the provincial leadership came to emphasize specifically "accelerating economic cooperation in two sub-regional development schemes to make it part of national strategy, and to bring about corresponding policies of international cooperation"... adding that "sub-regional infrastructure and communication projects will further spur on development in areas of energy, tourism, trade, investment, environment and human resources, and ultimately make the central government commit to financial support and insurance in the import-export sector".<sup>131</sup> The two sub-regional development schemes referred to here are the Greater Mekong Sub-region (GMS) development scheme and the Bangladesh-China-India-Myanmar (BCIM) regional economic cooperation, which have been driving much of the economic development in the province and across the border.

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<sup>130</sup> Peter T. Y. Cheung and James T. H. Tang, 'The External Relations of China's Provinces', in David M. Lampton (ed) *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978-2000*, Stanford: Stanford University Press, 2001: 91-120.

<sup>131</sup> Kong Lingan and Li Jiating, *Zhongguo xibu dakaiifa: Yunnan xingdong jihua* (China's Development of the Western Region: The Action Plan of Yunnan), Kunming: Yunnan renming chubanshe, 2001: 22.

The GMS development scheme was launched in 1992, under the auspices of the Asian Development Bank, and fully backed by the central government of China. The participating countries are China (with Yunnan province taking the lead), Vietnam, Myanmar, Laos, Thailand, and Cambodia. The scheme was aimed at promoting cooperation in areas of communication, energy, agriculture, environment, human resources, trade, investment, tourism, and drug control. Between 1992 and 2005 two GMS summits were held, in addition to fourteen ministerial-level meetings at which over a hundred development projects were agreed upon, many of which have since been completed.<sup>132</sup>

The first BCIM meeting was held in Kunming in 1999. It has since held six such meetings in Delhi, Yangon, and Dhaka. The exchanges have been defined as Track II dialogues aimed at promoting cooperation primarily in the following areas: trade, communication, and tourism. Yunnan, representing China, has been a major driving force in this scheme. Bangladesh is known to be enthusiastic and the most inclined to advance the organization meetings to the level of Track I. Myanmar – though its delegation has been staffed overwhelmingly by government officials – has not been quite so active in pursuing multilateral relations as anticipated by others, owing to its troubles at home. By comparison, India appears to be somewhat reluctant, preferring and insisting that meetings and cooperation remain at Track II. The different views in regard to the track level of BCIM basically reflect the individual agenda and the importance that each country attaches to the organization.<sup>133</sup>

Notably, Myanmar is a member in both cooperation mechanisms, which underscores the strategic position of the country in economic development as well as in international relations. By traditional categorization, Myanmar is part of Southeast Asia. Because Myanmar is the only passage for Yunnan to reach South Asia, the country is duly included in the region of South Asia for research as well as liaison purposes. As international relations are unfolding in the region amid a global energy crisis and security threats, the geo-strategic position of Myanmar makes cross-border cooperation all the more

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132 Luo Huasong, “Yunnan yu fanzhu sanjiaoku hezuo he dameigonghe ciquyu hezuo” (Yunnan’s Cooperation in the Greater Pearl Delta Triangle and the Greater Mekong Sub-region), *Dong-Nan-Ya*, No. 1 (2006): 28-34.

133 Interview with the Yunnan Academy of Social Sciences, 2006.

important, while adding many undetermined factors. In terms of cross-border cooperation, Yunnan is privileged in that it serves not only as China's key passage to Southeast and South Asia, which makes it indispensable in regional development, but also owing to the special treatment granted to it by the central government because of its ethnic minority population. Generally speaking, development within the province in areas of poverty-alleviation, infrastructure (electricity, water, communication), and narcotic control (including border administration, law enforcement, aids prevention and treatment) is funded directly by the central government. This structure of financial support from the central government in turn determines the main areas of cooperation between Yunnan and Myanmar.

### **Economic Cooperation**

After the normalization of China-Myanmar relations in the 1980s, the isolation of the two governments in international affairs brought the leaders of the two countries into closer economic cooperation. It began with Than Shwe's visit to China in 1989, and was bolstered by Jiang Zemin's visit in 2001, which further energized cross-border cooperation. By the following year, Chinese companies had reportedly contracted more than 800 projects with a total value of US\$2.1 billion, while the official trade volume reached US\$845 million.<sup>134</sup> By 2004, the total investment funds from China amounted to US\$64 million, making up 15 percent of Myanmar's foreign investment.<sup>135</sup> By 2005, Chinese companies had contracted projects worth US\$3.9 billion with total investment reaching US\$192 million.<sup>136</sup> In 2006, China ranked 11 among international investors in Myanmar, and is currently undertaking 26 projects in Myanmar.<sup>137</sup> Of all China-commissioned projects in Myanmar (entailing construction, investment, and trade) Yunnan province has taken a giant share. What China's central government benefits from in terms of bilateral relations and national security, Yunnan gains in local development.

Along the 2,000 kilometer-long border between Yunnan and Myanmar, there are eight class A and B trading ports. Among the ASEAN countries, Myanmar is currently China's biggest trading partner. Exports to Myanmar

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<sup>134</sup> Haacke 2006: 29-30.

<sup>135</sup> Xinhua 2004/03/22.

<sup>136</sup> Chinese Foreign Ministry 2006/09/13.

<sup>137</sup> Chinese Embassy in Myanmar, 2006/07/27.



are estimated at between one-quarter to one-third of the total volume of imports in the country, while China remains Myanmar's third largest importer, next to Thailand and Singapore.<sup>138</sup> In the 1980s-1990s, Yunnan-Myanmar trade amounted to 90 percent of the total volume in Yunnan border trade. Exports from Yunnan to Myanmar are predominantly light-industry products, machinery, electric appliances, textiles, and so on, whereas imports from Myanmar consist mainly of raw materials (timber, ore, rubber and so forth). In 2005, Myanmar-China bilateral trade reached US\$1.209 billion — having grown by 5.6 percent over what it had been the previous year. About half of the Myanmar-China trade was channeled through Yunnan, estimated at US\$630 million, and growing at an average rate of 14.6 percent a year. Exports from Yunnan amounted to US\$400 million, whereas imports from Myanmar amounted to US\$230 million.<sup>139</sup>

In construction, the provincial government of Yunnan acts as the chief contractor. Subcontractors of a variety of projects are the enterprises directly or indirectly linked to the government. In cases of government-to-government aid projects, decisions are made at the highest level and funds are appropriated from the central government. As for other projects, the individual companies are normally responsible for profits and losses, as well as securing funds of investment. The China Import-Export Bank is a major credit provider. Access to large loans understandably requires backup from the government. China's major construction project investments in Myanmar have been largely in infrastructure, hydropower plants, commercial network, cement and paper plants, agricultural machinery, forestry and marine products.

Transportation has been a key development area for the Myanmar government, involving the building of waterways, railways and roads, in addition to bridges and airports. Some parts of the construction constitute a larger network in Southeast Asia and South Asia. The Lancang-Mekong commercial shipping agreement was signed in 2000. Its aim was to make it possible for 300-ton ships to transit, and to boost the annual navigation capacity of the Mekong River to 10 million tons. China invested more than RMB 42 million to help Myanmar and Laos dredge a navigation section on

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<sup>138</sup> He and Li 2005: 255-6.

<sup>139</sup> [http://english.people.com.cn/200608/04/print20060804\\_289952.html](http://english.people.com.cn/200608/04/print20060804_289952.html), accessed 2006/10/17.

the Mekong River.<sup>140</sup> Since its completion in 2001, the 897-kilometre waterway between 14 ports from Simao (southern Yunnan) to Laos is now a free passage for all four countries (China, Myanmar, Laos and Thailand) that jointly manage the waterway.<sup>141</sup> The waterway enables China to cut the distance of its export-route by 3,000 kilometers – a time period of one week – compared to the traditional shipping route via the Malacca Straits.

Railway construction is part of the so-called Trans-Asia Rail Network, initiated in 2001. It consists of two lines, southbound to Thailand, and westbound to India, which once completed will connect Yunnan to Nepal, India, Bangladesh, Myanmar, Thailand, Cambodia, Vietnam, and Singapore. Both lines were included in China's Tenth Five-Year Plan.<sup>142</sup> The major contributors to the southbound line are Thailand and China, and construction is currently well under way. The major contributors to the westbound line are China and India. A railway construction agreement between Myanmar and India was signed in 2005 and construction is expected to be under way soon.<sup>143</sup> The rate at which progress is made depends, needless to say, on the cooperation between countries involved. Because of their strategic position at the hub of these vital links, Laos and Myanmar have chosen to remain notably laid-back, presumably counting on sizeable contributions from their richer neighbors.

Since 2000, Yunnan province has been upgrading the highway connecting the provincial capital of Kunming with the Yunnan-Myanmar border. There are now seven road links to Myanmar, six of which start from Kunming via Dali, Jinghong, Baoshan, Simao, Lincang, respectively; the remaining one is from the northwest via Lushui and Pianma.<sup>144</sup> The construction of the Kunming-Ledo (northeast India) road has been the most ambitious, encountering problems related not only to a difficult topography but also to complex socio-political conditions in the area the road traverses. The Kunming-Ledo road is famous as the southern route of the ancient Silk Road (from Chengdu through northwest Yunnan), and known as the Yunnan-

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140 Xinhua News 2001/06/29.

141 Luo Huasong 2006: 30.

142 Ibid.

143 Dong Nan, *Dong-Nan-Ya*, No. 4 (2005).

144 Niu Hongbin and Ren Jia (eds.), *Kuashiji de Zhong-Mian-Yin tongdao: chongjian Shidiwei gonglu yanjiu* (A Century's Pathway through China, Myanmar and India: Research on Reconstruction of the Stillwell Road), Kunming: Yunnan renmin chubanshe, 2005: 159.

Burma road during the WWII, part of which was reconstructed by the nationalist government.<sup>145</sup> From Kunming the road westbound splits into two routes: the northern route exiting from Tengchong,<sup>146</sup> at a place called 'The Money Bridge' to Ledo (Assam) via Myitkyina (capital of the Kachin State), and the southern route exiting from Ruili to Ledo via Bhamo (southern Kachin State),<sup>147</sup> the so-called 'Ambassador's Road' operational during the Qing.<sup>148</sup> The Longchuan County government signed an agreement with the Myanmar Ministry of Construction in Yangon in 2004, investing RMB 28 million to upgrade the 79-kilometre highway between Zhangfeng town and Bhamo, which was expected to be open for traffic at the end of 2006.<sup>149</sup> The northern route was expected to be in service in 2007. The opening of the Kunming-Ledo Road is intended to boost trade and tourism. The road winds through the most impoverished region of northern Myanmar (Kachin State) and northeast India (Assam), populated mostly by ethnic minorities. The construction of the Kunming-Lido Road is therefore sensitive to both the Indian and Myanmar governments, wary of China's influence in this politically unstable region.<sup>150</sup>

In terms of energy structure, Myanmar used to rely largely on oil and natural gas, while hydropower constituted only a small percentage of total energy use.<sup>151</sup> Since the 1990s, Myanmar has paid growing attention to the development of hydropower. The companies undertaking hydropower construction in Myanmar are mainly from China, India, and Thailand. The first hydropower project, the Paunglaung Hydro-Electric Station, undertaken by the Yunnan Machinery and Equipment Import and Export Corporation, was launched in 2000 with an investment value of RMB 1 billion financed by

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<sup>145</sup> The road is also named Stillwell after the US general, the Chief of Staff of the Allied Forces, who led the construction of some sections of what was called the Burma Road during WWII.

<sup>146</sup> Tengchong is the vital connection point on the southern Silk Road, a battlefield between the British and the ethnic Lisu in the 1940s. It is now a major trading outlet.

<sup>147</sup> Ruili, formerly Mengmao, has a reputation as the 'Home of the Peacock', adjacent to Wanding, the imperial courier outpost.

<sup>148</sup> Tinker 1956: 332.

<sup>149</sup> Xinhua 2004/12/08.

<sup>150</sup> Niu Hongbin and Renjia, 2005: 142-153.

<sup>151</sup> One source suggests that it is as small as 5 percent (Zhang Jihao, 'Da Meigonghe ciquyu dianli hezuo yanjiu' [The Greater Mekong Sub-region Electric Power Cooperation], *Dong-Nan-Ya*, No. 1 (2006): 35-9, whereas another source indicates 30 percent (Kong Zhijian, *Dong-Nan-Ya*, 2006).

the China Import-Export Bank.<sup>152</sup> On the second state visit by Myanmar's top leader Than Shwe in 2003, China and Myanmar signed an agreement on economic and technical cooperation, through which Myanmar acquired RMB 50 million of financial aid from China, and the largest ever preferential loan of US\$200 million at low interest rate for completing Myanmar's 790-megawatt Yeywa hydropower project.<sup>153</sup> At the end of 2006 another agreement was signed, which entails building a dam on the Shweli River in the west Shan State for a power station that would generate 600 megawatts.<sup>154</sup> Construction has been undertaken by the China National Heavy Machinery Corporation together with the Yunnan Machinery and Equipment Import and Export Corporation. Two more hydropower projects are currently under negotiation, including the building of a 2,000-megawatt power generation station on the Maykha River and one 3,600-megawatt power generation station in the Ayeyawady confluence.<sup>155</sup>

In return for China's investment in Myanmar's infrastructure, in particular hydropower construction, the Myanmar government granted China privileges in the exploitation of oil and gas. China is known to be keen on constructing a pipeline and transport corridor through Myanmar to link Yunnan with the Bay of Bengal — the scheme would enable China to bypass the Strait of Malacca in oil transport. In 2003, the Yunnan provincial government proposed to the China National Petroleum and Chemical Corporation the building of a pipeline that would lead to Kunming via Mandalay and Ruili. The plan was rejected in the light of a feasibility study conducted by the Chinese State Development and Reform Commission.<sup>156</sup> In 2005, the Yunnan based Dian-Qian-Gui (the name standing for the provinces of Yunnan, Guizhou and Guangxi) Oil Prospecting Bureau, under the auspices of the China National Petroleum and Chemical Corporation, signed an agreement with Myanmar to jointly exploit oil and gas in Myanmar, including developing a million ton-scale oil field. The capital invested in the initial period of development amounted to US\$30 million. The project is seen as a step toward the completion of a Sino-Burmese pipeline that eventually

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152 Xinhua 2000/09/19.

153 Xinhua 2004/03/22.

154 *The New Light Of Myanmar*, [www.myanmar.com/newspaper/nlm](http://www.myanmar.com/newspaper/nlm), accessed 2007/01/26.

155 *The New Light Of Myanmar*, [www.myanmar.com/newspaper/nlm](http://www.myanmar.com/newspaper/nlm), accessed 2007/01/26.

156 *Jingbao* 2006/02/23.

will extend all the way north to Chongqing city, a major industrial center and shipping port on the Yangzi River.<sup>157</sup>

Prior to this deal, the China National Petroleum Corporation, the China National Offshore Oil Corporation, and the China National Petroleum and Chemical Corporation, had set up six oil exploitation sites across Myanmar. At the end of 2005, Myanmar announced that its government would carry out a feasibility study on building a gas pipeline to China.<sup>158</sup> In February 2006, Myanmar PM Soe Win visited China and signed an agreement to transport natural gas to Kunming.<sup>159</sup>

In addition to trade and construction, China has also been approached in regard to investing in special industrial zones; this is something that the Myanmar government is interested in developing. In 2004, the Shanghai Pudong planning department was commissioned to draw up a plan for the Thanlyin-Kyauktan Industrial Zone, purportedly of the highest standard, located 25 kilometers south of Yangon, close to the ocean.<sup>160</sup> A year later the blueprint was submitted to the Myanmar government for approval.<sup>161</sup> There are presently altogether 18 special industrial zones in Myanmar, the majority of which are state-owned. More initiatives have been taken by the self-government in the ethnic minority areas on the border to set up their own special industrial zones for local development. The Kachin, for instance, have reportedly agreed to lease some one million acres of land on the Yunnan-Myanmar border to China.<sup>162</sup> Discussions concerning the establishment of industrial zones on the Myanmar-Thailand border on Kayin land are also underway.<sup>163</sup>

### **Border Security**

Since the signing of the PRC-Myanmar border agreement in 1961, there has not been any serious border dispute between the two countries – albeit the CCP support of the CPB across the border from the mid 1960s through the 1970s did put considerable strain on bilateral relations. In the new era of

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<sup>157</sup> *Beijing chenbao* 2005/08/16.

<sup>158</sup> *Myanmar Weekly*, December 5-11, 2005.

<sup>159</sup> *Jingbao* 2006/02/23.

<sup>160</sup> Dong Nan, *Dong-Nan-Ya* (2005).

<sup>161</sup> China Net 2006/09/27.

<sup>162</sup> China Net 2006/07/31.

<sup>163</sup> Dong Nan, *Dong-Nan-Ya* (2005); China Net 2006/09/27.

economic development, an age-old vice that had made much of the Myanmar Plateau in the north and east almost impenetrable began to encroach across the border onto Chinese territory, drawing growing attention from the international community. The narcotic epidemic constitutes the major border security issue at present. It surged in the middle of the 1980s along the border between China, Myanmar, Laos and Thailand — the so-called Golden Triangle — amid border instability and disorder as ethnic insurgencies across the border between Myanmar and Thailand intensified and China's economic reform opened up the border for trade.

It is estimated that 70-80 percent of narcotic trade around the world originates in this region, and, furthermore, that 80 percent of the narcotics transported from the Golden Triangle are produced in northern Myanmar.<sup>164</sup> Reportedly, up to 90 percent of the heroin seized in China comes from northern Myanmar.<sup>165</sup> Being a major passage of narcotic trade from the Golden Triangle, China has over the past decade become a country of consumption. Understandably, the Chinese government regards the Golden Triangle as the No. 1 threat, even though the narcotic problem over the border with Afghanistan has admittedly grown at an alarming rate and is set to overtake the southwest passage.<sup>166</sup>

To contain narcotic problems, China has established a number of mechanisms of cooperation with neighboring countries.<sup>167</sup> In March 1997, China and Myanmar signed an agreement on border administration and cooperation. At a counter-narcotic conference in Kunming in 2000, the then Minister of Public Security, Jia Chunwang, ordered that the border defense forces in southwest China join with their counterparts in the railway, communication, and aviation sectors to crack down on the rampant narcotic trade.<sup>168</sup> In January 2001, China and Myanmar signed a Memorandum of Understanding (MOU) on strengthening cooperation in narcotic control.

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<sup>164</sup> *China's Youth Daily* 2006/06/28.

<sup>165</sup> He and Li 2005: 407.

<sup>166</sup> See Niklas Swanström, 'Narcotics and China: An Old Security Threat from New Sources', *China and Eurasia Forum Quarterly*, Vol. 4, No. 1 (2006), pp. 113-131.

<sup>167</sup> On the border with Afghanistan, China is said to be cooperating with the government of Pakistan, and reportedly has yielded some encouraging results (Chinanet 2006/06/23).

<sup>168</sup> Xinhua 2000/09/21.

Joint efforts have resulted in the busting of a number of drug-manufacturing bases and numerous renditions of drug trader tycoons to China.<sup>169</sup>

By 2005, the two countries had held five ministerial level meetings, nine meetings between senior officials, and three MOU meetings on the topic of narcotic control. In March 2002, a bilateral meeting on counter-narcotics cooperation between China and Myanmar was held in Kunming, attended by Yang Fengrui, Deputy Secretary-General of the China National Narcotic Control Commission and Director of the Counter-narcotic Department under the Ministry of Public Security. The meeting reviewed three successful operations between China and Myanmar, and laid down specific plans for training Myanmar police and helping Myanmar farmers grow alternative crops.<sup>170</sup>

In January 2005, a senior officials' meeting on combating trans-national crime and maintaining social order on the border between China and Myanmar was held in Yangon, attended by the Chinese Deputy Minister of Public Security, Zhao Yongji, and Myanmar Deputy Minister of Home Affairs, Brigadier-general Phone Swe. The meeting discussed matters concerning counter-narcotic trafficking, money laundering, smuggling of arms, ammunition and explosives, human trafficking, and counterfeiting. The meeting also discussed border administration and the establishment of a hot-line contact between the national border defense departments of the two countries. At the meeting Zhao Yongji pledged further support of materials, equipment, and personnel training to the Myanmar police.<sup>171</sup>

The cross-border cooperation involves the exchange of intelligence and joint action in which China has been a major aid provider, including funds and equipment, in addition to the training of Myanmar counter-narcotic personnel. Police training takes place in Kunming at the Yunnan Police Academy under the supervision of the provincial Public Security Department. The first group, altogether 25 policemen from Myanmar, arrived in 2002. The following year, Yunnan received 30 more policemen from Myanmar, and in 2004 another 30 policemen received training in Yunnan. By 2006, Yunnan had trained 160 counter-narcotics police for

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<sup>169</sup> For more on China international counter-narcotic cooperation, see Yin He, 'Chinese Strategy on Drug Control', *Silk Road Paper*, December (2006): 37-51.

<sup>170</sup> Xinhua 2002/03/09.

<sup>171</sup> Xinhua 2005/01/13.

Myanmar. One training course generally lasts one month. The curriculum includes information on drug trafficking, counter-narcotic strategy, methods in drug testing and narcotic control, the law on narcotic control, and international cooperation in narcotic control, in addition to Mandarin Chinese and Kung Fu (martial arts). The training program is also offered to Laos and Thailand in accordance with the existing agreements China signed with the ministers of Myanmar, Laos, and Thailand in 2001. Over the past two decades, the total number of counter-narcotic personnel trained by the Yunnan Police Academy for neighboring countries exceeds one thousand.<sup>172</sup>

Along with law enforcement, China pays special attention to preventive measures aimed at bringing about social change in the border region. Alternative crop cultivation is one such measure that has been included in the first PRC Narcotic Prevention Law (draft). The scheme is designed to encourage and help the opium poppy growers to shift to growing alternative crops such as rice, rubber, sugar cane, and bananas. It was named the Green Drug Prevention Plan, sponsored by the Chinese government, which has already provided funds amounting to hundreds of millions of yuan in seedling subsidy, technicians support, and infrastructural construction. In 2004, Yunnan's Lübao Industrial Development signed a contract with Myanmar to help farmers grow rice, corn, bananas and lemons, in an area estimated at 200,000 *mu* (100 *mu* = 6.666 ha). By contract, the company also purchases the produce from the local farmers.<sup>173</sup> The program benefits both countries — rubber (China has contracted 50,000 *mu* of rubber farms in Myanmar), for instance, is in high demand in China for the country's rapidly developing car industry; as an alternative crop, it provides alternative means of living and is conducive to the eradication of opium poppy as subsistence.

In 2006, the Chinese State Council appropriated special funds worth 250 million yuan for developing alternative crop cultivation, and the Ministry of Commerce and the Ministry of Public Security jointly organized work teams to speed up alternative crop cultivation.<sup>174</sup> The Yunnan government meanwhile introduced another Five-Year Plan of alternative crop cultivation in Myanmar and Laos, offering financial assistance, low-interest bank loans,

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172 Xinhua 2003/08/23; *People's Daily* 2002/02/22; Xinhua 2006/06/27; Xinhua 2004/04/23.

173 Xinhua News Agency 2004/06/27.

174 <http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inford=ABC0000000000037890>, accessed Feb. 19, 2007.



and other forms of subsidies. The plan also includes the exemption and reduction of import duties on these products.<sup>175</sup> Because alternative crop cultivation provides local farmers with a relatively stable income and contributes to their substance security, the measure has significantly reduced the opium poppy growing area over the years. The No. 1 (Kogang-Chinese dominated) Special Region of the Shan State was the first to realize the eradication of poppy cultivation in 2003.<sup>176</sup> In the following year, China claimed to have rooted out more than 620,000 *mu* opium poppies in the Golden Triangle.<sup>177</sup> In 2005, the No. 2 (Wa dominated) Special Region of the Shan State, whose narcotic products used to constitute 60 percent of the total emanating from the Golden Triangle, was declared a 'no opium zone.' Altogether it has been estimated that the poppy growing acreage in Myanmar, Laos and Thailand was reduced from 36,000 hectares in 2004 to 26,600 hectares in 2005, and 13,000 hectares in 2006.<sup>178</sup>

China has traditionally been particularly perturbed by border trade, associating an open border with instability detrimental to national interest. However, the development of border trade since the beginning of China's economic reform has moved China's perception away from risk-aversion towards a coordinated effort on both sides of the border to keep the border stable through prosperity. Continuing from the China-Myanmar trade agreement signed in 1971, granting each other MFN treatment, China and Myanmar signed a border trade MOU in 1994; three years later, the two countries signed an agreement to establish a Joint Commission for Trade and Technology Cooperation; and in 2001, China and Myanmar signed a Promotion and Protection of Investment Agreement. These existing agreements have facilitated trade and investment across the China-Myanmar border. Though bilateral relations are generally amicable, the legacy of prolonged conflict in the border region, mainly as a failure of domestic policy in Myanmar, has come to complicate cross-border business and investment. It is almost paradoxical that as the Myanmar frontier became more integrated in a political sense, control over economic resources intensified

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175 Xinhua 2006/02/28.

176 He and Li 2005: 418.

177 Xinhua 2004/06/27.

178 Xinhua 2006/06/27.

between the central and local governments, with repercussions affecting country-to-country relations.

In the 1990s, after the Myanmar government had reached cease-fire agreements with the Kachin armed forces, a proposal was put forward to Yunnan to lease some 100,000 *mu* of Kachin land for agricultural development. Subsequently, a delegation was sent from Nujiang Lisu Autonomous Prefecture over the border to study the feasibility of the project. The survey concluded that production potential and the condition for land lease were favorable, and the parties involved from both sides of the border considered the contract a good deal. The provincial government of Yunnan was, however, hesitant to endorse the joint venture, purportedly having concerns over a possible flare-up of conflict between the Kachin forces and Myanmar government in the future, which would not only hurt business interests but also bilateral relations. Now it has been 10 years since talk of the land lease was first brought up and the land has been lying fallow ever since.<sup>179</sup> This case does in a way reflect the potential volatility on the border.

Discord between the central and local governments in Myanmar inevitably contributes to confusion of a legal nature that is potentially damaging to bilateral relations. In the wake of reaching agreements with the central government, the local government of the ethnic minorities in the Myanmar border region began to exercise autonomy in economic development. Yet, certain resources in the region controlled by the local government are of national interest, and unauthorized exploitation of these resources can therefore be seen by the national government as a violation of national interest. Land, forestry, mining are the areas that are especially ambiguous in terms of property rights. The recent bilateral talks concerning the resumption of trade in timber and mineral products are an indication of the existing problems in these areas.<sup>180</sup> Although private enterprises in Yunnan and the local ethnic leaders in Myanmar may have been the central players, business-conduct irregularities can evolve into serious problems that have repercussions in bilateral relations.

Keen on maintaining a healthy business relationship with Myanmar and with the Southeast Asian countries, China is taking steps to improve the

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179 Interview with officials in Kunming (2006).

180 <http://www.yfao.gov.cn/show.aspx?id=674>, accessed Feb. 19, 2007.

management of cross-border business. There has been discussion about improving communication and infrastructure (in particular, roads and railways), standardizing border administration with regard to trading port reforms, efficiency, inspection and services, and strengthening official exchanges in terms of trade regulations and investment mechanisms, and protecting the rights of enterprises.<sup>181</sup> Efforts are meanwhile being made to regulate the business conduct of public and private enterprises. The provincial government of Yunnan under the auspices of the State Council has recently compiled and published a comprehensive guide to investment, trade and contract laws of the Southeast Asian countries (altogether 21 volumes), with the purpose of facilitating economic cooperation across the border.<sup>182</sup> With any hope, the future of cross-border cooperation, in economy and security, is set to become more regulated and effective.

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<sup>181</sup> China Net 2006/07/31.

<sup>182</sup> <http://www.yfao.gov.cn/show.aspx?id=674>, accessed Feb. 19, 2007.

## IV. The Issue of Myanmar: Rights and Wrongs

What is today being identified as ‘an overall failure by the international community to prevent the actual occurrence of military conflicts’ may indeed reflect a breakdown in conflict management (in terms of conception and moral values),<sup>183</sup> not only as the result of a failure to recognize the so-called ‘non-traditional threat’, but also because of increasingly blurred lines between internal and international affairs. In conflict management and prevention, the rules of the game are frequently manipulated and adapted to a myriad of variables. Geographic distance, ideological difference, and economic competition between countries and regions are all likely to play a role. The issue of Myanmar illustrates a clash of traditions of thought revolving around democracy and rule. In the European tradition, democracy is the language of difference that has in the past century bifurcated the world and justified many an international intervention, sometimes political, at other times military. Globalization, characterized by intensified competition over strategic resources, has only widened that difference. In the issue of Myanmar, the country’s colonial history, multi-ethnicity, and natural endowment all make finding a solution intricate. Different players have different agendas and hence adopt different approaches towards conflict resolution. What everything boils down to in the end is whether the objective is to solve the problem in Myanmar or just to make an issue out of it.

### Sanctions as a Principle

In a report submitted by the US Independent Task Force of the Council on Foreign Relations, the situation in Myanmar today, after four decades of

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<sup>183</sup> Niklas Swanström, Mikael Weissmann and Emma Björnehed, Introduction, in Niklas Swanström ed. *Conflict Prevention and Conflict Management in Northeast Asia*, Uppsala: Central Asia-Caucasus Institute & Silk Road Studies Program, 2005, pp. 7-36.

military rule, is summarized as “one of the most tightly controlled dictatorships in the world, lacking any freedom of speech, assembly, or the press; denying any due process of law; and perpetuating human rights abuses, such as forced labor, military rape of civilians, political imprisonment, torture, trafficking in persons, and the use of child soldiers”.<sup>184</sup> Politics aside, the country is facing what the UNICEF has called a ‘silent emergency’, a health crisis of epidemic proportions —HIV/AIDS is spreading rapidly, and malaria, tuberculosis, leprosy, maternal mortality, and malnutrition are pervasive.<sup>185</sup>

Myanmar has been at odds with the West (US and Europe) since 1989, and political isolation and economic sanctions have been the principal measures of the West in dealing with the military government in Myanmar. After the military regained control of the country at the end of Ne Win’s rule, the United States pulled out its ambassador, reducing its embassy status to that of a Charge d’Affaires, and simultaneously imposing sanctions including a ban on American investment in Myanmar and halting all loans and economic aid. Diplomatic relations between Myanmar and US further deteriorated in the 1990s, when the Clinton administration imposed more sanctions on the military government, while listing Myanmar as the second worst human rights offender-nation in the world, next to Afghanistan.<sup>186</sup> The events of ‘9/11’ provided a window of opportunity for Myanmar to improve relations with the West, as the military government acted to implement a series of anti-terrorism measures including the shutting down of Muslim schools, outlawing Islamic associations, as well as clamping down on money laundering.<sup>187</sup> There were some signs of relaxation, as when US Secretary of State Colin Powell met with his Myanmar counterpart at the ASEAN meeting in Hanoi in 2001, while in the same period a US Under-Secretary of State visited Myanmar.<sup>188</sup> However, the clash between the Myanmar government and the opposition in May 2003 provoked a fresh wave of condemnation from the international community, and the US imposed new sanctions including a three-year ban on imports from Myanmar, freezing

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<sup>184</sup> Independent Task Force, ‘Burma: Time for Change’, published by Council on Foreign Relations, New York, 2003: 1.

<sup>185</sup> *Ibid.*

<sup>186</sup> He and Li 2005: 359.

<sup>187</sup> He and Li 2005: 361.

<sup>188</sup> fmprc ([www.china.com.cn](http://www.china.com.cn) 2004/11/29).

Myanmar government assess in the US, declining visa entries of Myanmar officials, and increasing the funding of democracy activists.<sup>189</sup> In 2005, US Secretary of State Condoleeza Rice labeled Myanmar one of the ‘outposts of tyranny’ and subsequently the Bush administration began employing a rhetoric that cast the country in the role of a threat to regional stability and called for its ‘moral castigation’.<sup>190</sup> All along, the European Union followed suit and imposed sanctions ranging from denying visa entries to selected Burmese citizens to tightening its arms embargo, and suspending loans and other forms of aid. Tourists were urged not to travel to Burma and spend money there.<sup>191</sup>

The strategy of sanctions is intended to mount pressure on the military rulers on the assumption that sanctions will in due course cripple the country’s economy, which will lead to widespread dissatisfaction and ultimately turn the population against the government and bring it down. For those in favor of sanctions, the argument is, with reference to Poland and South Africa, that “sanctions have bolstered the efforts of democratic movements seeking political change”, and that “sanctions put economic pressure on repressive governments, give hope to the democratic opposition inside the country, and focus international attention on human rights abuses and suppression of democracy”.<sup>192</sup> In the case of Myanmar, from a practical perspective, the expectation was to see “economic sanctions against the Burmese regime adversely affect industries that directly benefit the military and deprive it of an important source of revenue”.<sup>193</sup> Such measures are punitive in nature, which underscores a sense of moral superiority, and the imposition of sanctions is underpinned by economic as well as military power.

Despite the assumption that “so long as sanctions remain in place, the military government will know it cannot achieve its economic goals without first striking a deal with the opposition”,<sup>194</sup> much of the effectiveness of sanctions has been undercut by the involvement of China and other countries in the region. Reflecting its frustration, the US government called for

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189 He and Li 2005: 362.

190 Haacke 2006: 70.

191 BBC World television program ‘Undercover Burma’ (September 29, 2006).

192 Independent Task Force, 2003: 24.

193 Ibid.

194 Ibid. 25.

bringing the Myanmar issue to the UN Security Council for discussion in 2005, and again in 2006, which was finally put to vote in 2007. The urgency of the issue has wider implications. China's economic growth, its potential impact on energy exploitation, and its growing influence in Southeast Asia have been under increasing international scrutiny. At the same time, the richness of the resources that Myanmar is endowed with and its political instability are making the country vulnerable to the influences of various interest groups in the region and beyond. The worldwide concern with sustainable development at home brings international politics into play in the name of promoting democratization.

It goes without saying that '9/11' changed foreign policy in the US as well as in the European countries. The global 'War On Terror' has since come to reinforce an already existing ideological rift and divide the world in terms of 'you are either with us or against us'. The old left-right division that split the world in the Cold War era is no longer relevant to many issues today in the world of hyper-politics.<sup>195</sup> Indeed, the Iraq War proved to be a joint venture across the spectrum of extremes: a conventional/neo-conservatism acting as *Military* superpower on the one hand and 'politically correct' liberalism comfortable in the role of a *Moral* superpower on the other. This M&M amalgamation is now setting its sights on the issue of Myanmar which, as has been observed, is becoming "a Southeast Asian case for the US's global promotion of freedom".<sup>196</sup> Naturally, the 'promotion of freedom' in Southeast Asia began with sanctions, but in nearly two decades such measures have not succeeded in removing military rule. Instead, the imposition of sanctions has seen that 'the population also pays a price' – a fact admitted even by the proponents of sanctions.<sup>197</sup> The sectors most affected by economic sanctions have been health and education, and the most vulnerable are found among children and the poor. While one third of the children suffer malnutrition, Myanmar receives just \$2 of foreign aid per capita, compared to \$35 received in Cambodia and \$47 in Laos, according to the World Bank.<sup>198</sup> Such scarcity, however, has done little to hinder Myanmar from military expansion and government spending on administration, as previous chapters have indicated.

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195 See Tony Blair's address to the international News Corps in Pebble Beach, California, July 2006, <http://www.pm.gov.uk/output/Page9937.asp>, accessed 2006/10/27.

196 Haacke 2006: 61.

197 Independent Task Force, 2003, p. 24.

198 AFP (*The Myanmar Times*, October 16-22, 2006, vol. 17, no. 338).

The high moral ground that bolstered the imposition of sanctions and the subsequent ineffectiveness of sanctions are likely to give the proponents of sanctions reasons to resort to more drastic measures. After all, interpretation of national security in the post-9/11 era became notably fluid, which makes possible solutions all the more unpredictable. Among all, a military solution remains an ever-present option. There have been reports that the opium producing and opium trafficking United Wa Army has been on the US list of terrorist organizations for some time, and that the United States has previously threatened to launch surgical air strikes targeting the opium poppy-growing region bordering Myanmar and Thailand.<sup>199</sup> Those who play down the scenario of military conflict may argue that the US and its allies have vested interests in Myanmar.<sup>200</sup> So do China and Russia. It has been suggested that the US desire for regime change in Myanmar is derived from an interest in ‘checking China’s growing regional influence’.<sup>201</sup> The report that Russia signed an agreement with Myanmar in 2002, helping the Myanmar military to build a nuclear research center and a 10 megawatt research reactor, in addition to two laboratories and nuclear waste processing facilities, would have drawn enough attention to the region.<sup>202</sup> As the situation develops, one cannot help but wonder whether the current standoff is indeed between the West and Myanmar, or between the West and other regional powers. If the latter were the case, democratizing Myanmar would be surely just a means rather than an end.

### **Response to Sanctions**

Mounting pressures from the international community and the imposition of sanctions have doubtlessly made things more than awkward for the government of Myanmar. The military rulers may be frustrated but have so far shown few signs of yielding. On the contrary, their attitude towards international criticism has over the years changed from defense to defiance – in many ways reminiscent of North Korea. For the military government, as it has reiterated, the true motive behind the US imposition of sanctions (since 1988) is no more than an attempt to “Americanize[ing] her

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199 He and Li 2005: 409-10.

200 Among the 25 foreign investors in Myanmar, Britain ranked as the second biggest investor and the United States fifth, followed by France (He and Li 2005: 436-7).

201 Haacke 2006: 72.

202 He and Li 2005: 390.



[Myanmar] and install[ing] a puppet government” in the name of democracy and human rights.<sup>203</sup> In its response to the US proposal to discuss the Myanmar issue at the UN Security Council, the government of Myanmar lashed out, charging the US with “seeking to set up a military base in Myanmar territory in the Cold War period and install a puppet government in the country after 1988”.<sup>204</sup>

Despite repeated attempts at international mediation between the military government and the opposition, Aung San Suu Kyi has remained under house arrest — she was twice released but only re-arrested afterwards. Although Aung San Suu Kyi and the NLD have purportedly pledged not to pursue recriminations against the military leaders, the government has no intention to relinquish its power, fearing reprisals.<sup>205</sup> Responding to international outcry, the government of Myanmar maintained that the leader of the NLD is “constantly demanding confrontation, defiance of all orders, utter devastation, resorting to four kinds of sanctions and reliance on external elements”.<sup>206</sup> Despite what is officially claimed to have been four meetings with the head of state and twenty meetings with senior officials at the ministerial level, Aung San Suu Kyi is said to have refused to ‘comply with the government and change her stance’.<sup>207</sup>

As the political standoff prolonged, the government of Myanmar went on calling the NLD ‘a puppet of the West bloc’, while accusing foreign embassies (in particular those of the UK and US) of violating the diplomatic code of conduct by making contact with the leaders of the opposition party, and diplomats of interfering with aid work.<sup>208</sup> Foreign involvement aimed at speeding up democratization in Myanmar in the form of financial aid to and moral support for the opposition has made the military government hypersensitive, which has consequently escalated tension. Terrorist sabotage has been flatly blamed on foreign connections. In May 2005, a bomb blast in Yangon claimed 11 lives and injured 162, the act being blamed on Karen and Shan insurgents backed by the Myanmar democratic movement in exile.<sup>209</sup>

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203 Xinhua (<http://english.people.com.cn/2006/09/09>, accessed October 17, 2006-11-08).

204 Xinhua (<http://english.people.com.cn/2006/09/19>, accessed October 17, 2006-11-08).

205 Independent Task Force, 2003: 15.

206 Xinhua (<http://english.people.com.cn/2006/09/19>, accessed October 17, 2006).

207 Ibid.

208 Xinhua (<http://english.people.com.cn/2006/08/23>; [2006/08/25](http://english.people.com.cn/2006/08/25), accessed October 17, 2006).

209 UPI ([www.chinanews.com/2005/05/08](http://www.chinanews.com/2005/05/08)).

The government issued more bomb alerts in 2006, implicating a group of 15 dissidents (from Canada, US, and Japan respectively) associated with the All Burma Students' Democratic Front that had been charged with planning bomb attacks in major cities including Yangon, Mandalay, and Mawlamyine.<sup>210</sup>

Amid the bombing alerts and political instability, the government made the decision to move its capital further inland. Between the end of 2005 and spring of 2006, government ministries were relocated to Naypyidaw in the town of Pyinmana, some 400 kilometers north of Yangon. There has been speculation about the relocation of the administrative capital and some sources suggest that the plan to move was put on the agenda soon after the US strike on Iraq, as the government officials feared that Myanmar might be the next target.<sup>211</sup> Other sources claim that the government's decision to move the capital had been prompted by the top leader's consultation with a personal astrologer that predicted the fall of his government in February 2006 unless the capital was moved.<sup>212</sup> In any case, perceived threats, tangible or otherwise, seem to have largely contributed to the retreating strategy of the government. The location of the new capital itself may in fact be self-explanatory, in the light that the area used to be a base of guerrilla warfare in history and had been occupied by the BIA (BNA) before the country gained its independence, and by the CPB resistance through the better part of Ne Win's rule.<sup>213</sup>

The solution to the issue of Myanmar boils down to a conflict of interests. From a distance, Aung San Suu Kyi and what she stands for remains the foremost concern to the international community.<sup>214</sup> On the ground, the real challenge for the government of Myanmar is the viability of the nation. In isolation, the military rulers have embarked on a slow and difficult process of state building. Inadvertently, the growing pressure from outside appears to have consolidated the military government's position within the country. As the government has reached ceasefire agreements with ethnic insurgent

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210 Xinhua (<http://english.people.com.cn/2006/08/30>, accessed October 17, 2006).

211 AFP ([www.chinanews.com/2005/11/08](http://www.chinanews.com/2005/11/08)).

212 <http://en.wikipedia.org/wiki/Naypyidaw/> accessed November 7, 2006.

213 The government suppression of the CPB in 1974 left the area virtually cleansed of its original inhabitants (Smith 1999: 267).

214 As noted, foreign policy-making in the Western countries, in particular, the US, UK, and Japan, is seen to be revolving around Aung San Suu Kyi personally (Haacke 2006: 21).

groups, the border region, especially in the north and east, has calmed considerably. Meanwhile, the democratic movement has begun to show signs of waning, according to some reports.<sup>215</sup> This situation may have indeed been reflected in the strong reaction from the military government to the US proposal to discuss the Myanmar issue at the UN Security Council. In its criticism, Myanmar accused the US of interfering with its internal affairs by using the UN, and called the “demand of the US ambassador (to the UN)... nothing more than a repeated political ploy to apply pressure on Myanmar while ignoring all the objective developments and changes taking place in the country”.<sup>216</sup> The military government went on crediting itself for its achievement in national reconciliation, maintaining drug control and combating 3D (three diseases, namely, AIDS, TB and malaria) — counterattacking the US charge that the failure of the Myanmar government in these areas poses a threat to the region.<sup>217</sup> In a five-page long statement, the military government vowed that it would not yield to international pressure, reiterating that Myanmar would pursue its own policies and introduce what is cryptically referred to as ‘a discipline-flourishing democratic nation’ and a market-oriented economy, the task of which is formulated in terms of three main national causes, 12 objectives, and a seven-step roadmap.<sup>218</sup>

### **Alternative View**

The political upheavals from the mid-1960s through most of the 1970s, as the CCP covertly supported and aided the CPB in its resistance, damaged but never completely severed diplomatic relations between Myanmar and China. At the beginning of economic reforms, the Chinese leadership abandoned its radical ideology in managing its domestic affairs, and changed its foreign policy correspondingly. As economic development had sustained political stability at home, China came to appreciate more a benign external environment for the country’s development and sought to maintain good relations with neighboring countries and beyond. Like during the social transformation after the founding of the PRC, ideology no longer plays a part in China’s relations with neighboring countries.

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215 <http://www.china.com.cn/2006/07/28>.

216 Xinhua (<http://english.people.com.cn/2006/09/09>, accessed October 17, 2006).

217 Ibid.

218 Xinhua (<http://english.people.com.cn/2006/09/19>, accessed October 17, 2006).

By chance, China and Myanmar found each other in international isolation as the result of suppressing student movements in Beijing and Yangon. Empathy inadvertently intensified cooperation between the two countries. In due course, China toughened its stand towards the issue of Myanmar in international affairs. Reiterating the 'Five Principles of Peaceful Coexistence' laid down by the late PM Zhou Enlai in the 1950s, the Chinese government came to assert, on more than one occasion, on behalf of Myanmar, the right to solve its domestic problems, insisting that events taking place inside Myanmar amount to domestic politics, which should be resolved by the people and government of Myanmar through decisions of their own, based on consultation.<sup>219</sup>

It would be simplistic, however, to infer from this diplomatic rhetoric that China might have problems with any alternative government in Myanmar for ideological reasons. During the turbulent years of transition following the student movements at the end of the 1980s, China expressed great concern over the political situation in Myanmar, but was generally cautious in offering its endorsement.<sup>220</sup> After the 1990 election, the Chinese ambassador to Myanmar is said to have congratulated the NLD, calling for the release of Aung San Suu Kyi while expressing his government's wish to see national reconciliation in Myanmar.<sup>221</sup> As the situation continued to evolve in the country, China proceeded to deal with the *status quo* and maintain a good relationship with the country. Whenever China openly comments on Myanmar, in defense or deflection, it is merely doing what it regards as its 'duty' as a 'friendly neighbor'.

In the wake of the UN Security Council vote, the US voiced its expectation that China would push for reforms in Myanmar.<sup>222</sup> China generally shuns hyper-politics in international affairs. At the same time, China is willing to cooperate with other countries in the issue of Myanmar (as it has done in the issue of North Korea), provided intervention does not come at the expense of regional stability. China's (as well as ASEAN's) cooperation with Myanmar, though it may have been perceived as such, does not come with an agenda that seeks specifically to undermine Western sanctions. It is rather based on

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219 fmprc (<http://www.china.com.cn/> 2006/02/08; 2006/02/14).

220 Cheng Ruisheng, 2005.

221 Smith 1999: 414.

222 FT.com/Asia-Pacific (Feb. 12, 2007).

the mutual interests between the countries involved, primarily in the areas of border security as well as trade. From a pragmatic perspective, a prosperous and stable Myanmar is more in the interest of China in the post-Mao reform than an impoverished and unstable Myanmar. This preference reflects lessons that China has drawn from its own experience of revolution in the past: that political stability cannot be sustained without economic development and prosperity. China's economic reform launched in the 1980s and the current development of China's landlocked western region tackling poverty and income disparities are clear indications of the rationale behind the country's current policy. In contrast to a zero sum game preferred by others, China advocates a win-win principle that seeks co-existence while engaging in, but not eliminating, competition.

The events of 9/11 significantly lowered the US threshold of tolerance in foreign relations, and its policy has since shifted to one of swift reaction to perceived threats to American national interests by 'others'. China's foreign policy, in contrast, has sought to reduce the rift between 'us' and 'them' (a division to which China had itself adhered in the past in the era of radicalism under Mao) by establishing dialogues, as it has done with ASEAN over the past 15 years. Differing from the US-EU policy that urges speedy solutions, the Chinese government prefers to let the matter take its own course. What really concerns China in the issue of Myanmar is that a failed state of any political persuasion may lead to the disintegration of the country and revival of civil war, which will have serious repercussions in the region.<sup>223</sup> This concern, to a large extent, is also shared by ASEAN.

By and large, compared to their European counterparts, China and other Asian countries may appear to be more inclined to stress stability in reference to development and change. The contrast speaks for the difference in historical experience. Most of the Asian countries, Southeast Asia in particular, experienced a long process of picking up the pieces in the aftermath of independence. Social turmoil and economic upheavals have been part of the process of modernization. Reforms, therefore, tend to be embraced with caution. While openly deflecting criticism of Myanmar in the international community and calling repeatedly for non-interference and constructive dialogue in private, China would earnestly like to see the

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223 <http://www.china.com.cn/> 2006/07/28.

government of Myanmar reform in order to break out of its isolation. As the Chinese PM Wen Jiabao reassured Than Shwe at the 2<sup>nd</sup> meeting of GMS Economic Cooperation Program held in Kunming, China supports Myanmar's efforts in maintaining national stability, promoting reconciliation among ethnic groups, and expanding foreign relations. He also added pointedly that China's principle of promoting good-neighborly cooperation with Myanmar would never change, no matter how the international situation may fluctuate.<sup>224</sup>

China has been quite consistent in dealing with the issue of Myanmar since the 1990s. On the occasion where the US proposed to put Myanmar on the agenda of the UN Security Council in September 2006, China called the claim by some far-away countries that Myanmar poses a threat to international peace and security 'a far cry from reality', counter-arguing that the country's neighbors and most of the member states of ASEAN do *not* consider it a threat to peace and security in the region.<sup>225</sup> In January 2007, when the US proposal was put to a vote, China and Russia reiterated that human rights problems were not the purview of the Security Council unless they endangered regional or international peace and security; which Myanmar did not.<sup>226</sup> As John Bolton, the US Ambassador to the UN, urged that the Security Council 'faces up to its responsibilities',<sup>227</sup> the Chinese Ambassador to the UN, Wang Guagya, responded by saying that forcing the Security Council to discuss issues that are essentially the internal affairs of a country can only make the situation in that country even more complicated, and inevitably damage the Council's authority and legitimacy.<sup>228</sup> While acknowledging the problems that Myanmar has, some of which are admittedly rather serious, China urged the international community to recognize the country's efforts to tackle its own problems, and at the same time to do more to help promote the democratization process in Myanmar so that the country can be integrated into the peace and development process in the region.<sup>229</sup> In the latest high-level bilateral meeting between leaders of the

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224 Xinhua 2005/07/05.

225 Xinhua (<http://www.english.people.com.cn/> 2006/09/16, accessed October 17, 2006).

226 *China Daily* ([http://www.chinadaily.com.cn/china/2007-01/13/content\\_782772.htm](http://www.chinadaily.com.cn/china/2007-01/13/content_782772.htm), accessed January 13, 2007).

227 FT. com/Asia-Pacific (September 2, 2006).

228 Xinhua (<http://www.english.people.com.cn/> 2006/09/16, accessed October 17, 2006).

229 Ibid.

two countries in February 2007, the Chinese State Councilor Tang Jiaxuan conveyed his government's hope for Myanmar to enjoy political stability, economic development, national unity, and for the people of Myanmar to live in peace and contentment.<sup>230</sup>

### **Between Good and Evil**

ASEAN is a regional organization established in 1967. The organization at present has altogether ten members: Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar, and Cambodia. The organization supports regional economic growth, social progress and cultural development, while promoting regional peace and stability. Though seemingly an economic cooperation mechanism, it was from the start a political organization during the time when Southeast Asia was at its most volatile, as a result of competition between the two superpowers. The fact that ASEAN is riddled with contradictions is duly reflected in the issue of Myanmar. The decision of Myanmar to join ASEAN in the 1990s was a pragmatic move seeking to maneuver out of political isolation. The admission of Myanmar to ASEAN was opposed by the US and Europe, but ASEAN collectively succeeded by arguing that granting membership to Myanmar would serve to counterbalance China's influence in the region.<sup>231</sup>

Effectively utilizing its strategic position and natural resources, Myanmar has managed to win political support from China and ASEAN, as well as India, while pursuing economic cooperation with the countries in the region. The political support garnered was, however, not unconstrained, since each of the countries concerned had to give some consideration to its own relationship with the West, in particular with the US when dealing with Myanmar. While the organization in general is reluctant to get involved in the domestic affairs of its member states, over the years the US and Europe have mounted pressure on ASEAN to press the government of Myanmar into making changes. Due to the individual circumstances in each country, a united front has been hard to achieve within ASEAN. By comparison, Cambodia, Laos, Vietnam, and Thailand appear to be more lenient, while countries like the Philippines, Indonesia, Malaysia, and Singapore that have

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<sup>230</sup> <http://www.fmprc.gov.cn/chn/wjb/zzjg/yzs/gjlb/1271/1273/t299739.htm>, accessed March 3, 2007.

<sup>231</sup> Haacke 2006: 41-2.

closer ties with the US tend to be less tolerant.<sup>232</sup> Regional development and international relations are the key factors that sway opinions in the minds of ASEAN countries – individually or collectively – about Myanmar.

During the financial crisis that severely affected Southeast Asia, the attitude of the ASEAN countries toward Myanmar appeared to be more restrained. They generally refrained from criticizing Myanmar despite pressure from the West. After renewed clashes between the Myanmar government and the opposition in 2003 (that provoked renewed international outcry), ASEAN became visibly agitated, demanding change in Myanmar. Yet, the attitudes of the ASEAN countries differed due to differences in their individual relations with Myanmar. Despite its troubled relations with Myanmar, mostly related to territorial disputes and ethnic insurgencies, Thailand generally chose to play the mediator, urging the government of Myanmar to step up the democratization process while opposing further sanctions. Malaysia had by and large maintained normal relations with Myanmar all along, but turned out to be its harshest critic after 2003, as the Malaysian PM at one point threatened to expel Myanmar from ASEAN.<sup>233</sup> On the other hand, Thailand and Malaysia together with Singapore and Indonesia are the major trading partners with and investors in Myanmar,<sup>234</sup> a fact that poses a major concern in dealing with Myanmar. In contrast to others in the regional organization, the Philippines appears to be more attuned to the West.

On the issue of Myanmar, generally speaking, ASEAN faces a dilemma differing from that of China, because of the relationship that ASEAN developed with the West during the Cold War period. The majority of the ASEAN countries, to a large extent, share Western values (though opportunistically touting ‘Asian’ values) and are equally keen on maintaining a friendly relationship with the West; at the same time, they are the immediate neighbors of Myanmar. The military rule in Myanmar today may not be to their taste, but a war-torn country in the event of a failed government in Myanmar offers little comfort. Understandably, regional stability and common prosperity remain paramount concerns in many decisions. Such conflicting factors would explain what might appear to be

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<sup>232</sup> <http://www.china.com.cn/> 2006/07/28.

<sup>233</sup> He and Li 2005: 382.

<sup>234</sup> Among the two-dozen foreign investors in Myanmar, Singapore ranked first, Thailand third, and Malaysia fourth, and Indonesia 7th (He and Li 2005: 437).



inaction on the part of ASEAN both now and then. When pressure from the West mounts, ASEAN is likely to turn tough on Myanmar. The confrontation between ASEAN and Myanmar concerning the latter's chairmanship of the 2006-2007 ASEAN Summit was a case in point: the Myanmar chairmanship was backed by China but strongly opposed by the US and EU; under pressure, Malaysia and the Philippines first yielded, followed by Thailand and Cambodia, and finally the Indonesian Congress passed a resolution formally challenging Myanmar's ASEAN chairmanship. As the result, Myanmar relinquished its chairmanship to avert further diplomatic fallout. The showdown reflects exactly the complex relations between Myanmar-China and ASEAN-US. However, one might equally view it as a face-saving compromise gained by all parties involved in that the West managed to avert the embarrassment of having Myanmar represent the regional organization, ASEAN did not have to face a boycott by the West, and the government of Myanmar by surrendering the chairmanship did not have to budge on the request by the Western powers to release Aung San Suu Kyi and others.<sup>235</sup>

Back in 2005, the Philippines stood out offering its support to the US proposal to put the issue of Myanmar on the UN Security Council's agenda. The action was viewed as "an extraordinary diplomatic move by one ASEAN state against another, illustrating starkly the limits of ASEAN's collective foreign policy and its status as a diplomatic community".<sup>236</sup> This is just one of many aspects explanatory of the fluidity within ASEAN. As the Singaporean Foreign Minister George Yeo was quoted as warning against the influence of "developments in other parts of the world" on Southeast Asia, vowing that "external forces are not allowed to affect the general harmony that exists in the Association of Southeast Asian Nations",<sup>237</sup> ASEAN stepped up its expansion from 10+3 to 10+6, and more.<sup>238</sup> Constantly feeling pressured and seeking to strike a power balance would speak for so many indeterminate variables in the role of ASEAN, and these elements are duly reflected in the solution to the issue of Myanmar.

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<sup>235</sup> *Dong-Nan-Ya*, No. 1, 2006, p. 9.

<sup>236</sup> Haacke 2006: 57.

<sup>237</sup> Xinhua (<http://www.english.people.com.cn/2006/09/04>, accessed October 17, 2006).

<sup>238</sup> The 10+6 mechanism includes Australia, New Zealand, and India, in addition to China, Japan and South Korea in the existing 10+3 framework.

## Conclusion

Countries like Myanmar, as well as those in Africa and the Middle East that are today encountering problems in the process of democratization, share a similar experience: colonial history and protracted civil wars; a weak state and diverse ethnic population compounded by persistent poverty. A reference to these circumstances does not necessarily in any way suggest that democracy *per se* is in dispute, but rather the conditions in which democracy can take root. Myanmar has in the past century endured foreign occupation as well as internal strife; brutal power struggles and insurgencies have effectively been a way of life for many. International sanctions aimed to bring political change seem so far to have offered little to alleviate the loss of life, dislocation, and devastation already endured by people under military rule. The failure of the politically motivated intervention in the past two decades is hardly disputable in light of this research and that of others,<sup>239</sup> while the question of how to solve the issue of Myanmar remains.

The account of China-Myanmar relations offered here draws parallels and lessons for the international community that is seeking solutions to the issue of Myanmar. With regard to the policy of sanctions, history has indicated that outside pressure aimed to induce hardship does not intimidate a government that has emerged from a tradition of anti-colonialism. China's military support for the CPB in the 1960s and its subsequent termination of economic aid to Ne Win did not critically undermine the government, nor did Chinese hostility succeed in forcing Myanmar to abandon its non-alignment policy. On the contrary, the Ne Win government managed to consolidate its existence while winning public support, as the rebellious CPB became increasingly identified with a foreign country perceived as hostile to Myanmar. All this is strikingly reminiscent of the current situation wherein Aung San Suu Kyi is branded by the government of Myanmar as the 'puppet'

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<sup>239</sup> See, for example, the accompanying issue of the Silk Road Papers by Christopher Len and Johan Alvin, *Burma/Myanmar's Ailments: Searching for the Right Remedy*, March 2007

of foreign powers and the influence of NLD is waning as the result of losing its national appeal largely owing to its association with the West.

The all-too-familiar practice in current international affairs, with foreign governments and organizations seeking to fund and provide moral support for the opposition to bring about regime change in Myanmar, gives China reason to steadfastly defend Myanmar's right to solve problems that are essentially internal. Decades of turmoil in Myanmar have shown that the problems the country has today are not just political, but also economic, and above all, ethnic. Regrettably, since its independence the Union of Myanmar has not properly tackled the problem of multi-ethnicity in state building, and this problem and others have only become more complicated in the face of increasing external influences. The Chinese government, which itself completed the necessary steps of state building within half a decade after the founding of PRC, now sees the imperative of national reconciliation in Myanmar as a necessary step in achieving political integration. Hence, China has openly expressed its support for the government of Myanmar in its effort to bring about cease-fire agreements with insurgent forces and to promote economic change in the ethnic minority-dominated areas.

An appreciation of the complexity of multi-ethnicity in the making of a sovereign state is central to the issue of Myanmar. Outside the region, unfortunately, this has not been given enough attention, particularly in Europe — itself accustomed to the idea of the nation state and generally comfortable with cultural homogeneity when it comes to the issue of political identity. The democracy that has solved the European problems in the process of modernization is automatically assumed to provide a magic solution to problems elsewhere in the world. Those who are keen on instigating changes from outside regard a restoration of democracy in Myanmar (in the form of setting free democracy activists and holding elections) as key to the issue of Myanmar, whereas the ruling government in Myanmar attaches the foremost importance to political unity and economic development. The nation and, to a larger extent, the region is faced with a dilemma between stability and change, and so too is the West desiring change in Myanmar, yet not quite prepared to see the anticipated transformation taking its own course. From this angle, the issue of Myanmar (to be tabled at the UN Security Council) is not really about Myanmar 'over

there' on the Indo-China Peninsula, but about 'us' here in Europe, and across the Atlantic. The rift is based not on geography but on ideology, and that is what ultimately makes the problem of Myanmar difficult to solve.

If, on the other hand, the international community is willing to give practicalities a consideration, a solution is by no means impossible. The Chinese approach to the issue of Myanmar has been one of political dialogue and economic cooperation. This policy does not bring about change overnight but it contributes to gradual stability. The cease-fire agreements that the Myanmar government has reached with various ethnic minority forces, the effort it has made to rein in opium production and trade, and the economic reforms that have been implemented not just in 'Burma Proper' but in the frontier region as well, are crucial to national reconciliation and would not have been possible without the economic cooperation of neighboring countries, most importantly, China. As much as political turmoil in the past has fed on impoverishment, the political unity of Myanmar and the future wellbeing of its people really hinge on continued economic development. Democracy may well constitute an ideal form of rule, but elections alone do not solve all problems, as the history of post-independent Myanmar has shown. The attempt to export democracy through 'shock and awe' has proven an unmitigated disaster in Iraq. The distance that a sound and viable democracy might still have to travel on any road map drawn up for Myanmar ultimately depends on how sustainable the country's political unity can be.

Appendix<sup>240</sup>

## Boundary Treaty Between the People's Republic Of China and the Union of Burma

**T**HE Chairman of the People's Republic of China and the President of the Union of Burma,

Being of the agreed opinion that the long outstanding question of the boundary between the two countries is a question inherited from history, that since the two countries successively won independence, the traditional friendly and good-neighbourly relations between the two countries have undergone a new development, and the fact that the Prime Ministers of the two countries jointly initiated in 1954 the Five Principles of peaceful coexistence among nations with different social systems as principles guiding relations between the two countries has all the more greatly promoted the friendly relations between the two countries and has created conditions for the settlement of the question of the boundary between the two countries;

Noting with satisfaction that the Government of the People's Republic of China and the successive Governments of the Union of Burma, conducting friendly consultation and showing mutual understanding and mutual accommodation in accordance with the Five Principles of peaceful coexistence, have overcome various difficulties, and have eventually reached a successful and overall settlement of the question of the boundary between the two countries; and

Firmly believing that the formal delimitation of the entire boundary between the two countries and its emergence as a boundary of peace and friendship not only represent a milestone in the further development of the friendly relations between China and Burma, but also constitute an important contribution to the safeguarding of Asian and world peace;

Have resolved for this purpose to conclude the present Treaty on the basis of the Agreement on the Question of the Boundary Between the Two Countries signed by Premier Chou En-lai and Prime Minister Ne Win on January 28, 1960 and appointed their respective plenipotentiaries as follows:

Chou En-lai, Premier of the State Council, for the Chairman of the People's Republic of China, and

U Nu, Prime Minister, for the President of the Union of Burma,

Who, having mutually examined their full powers and found them in good and due form, have agreed upon the following:

October 4, 1960

### Article I

In accordance with the principle of respect for sovereignty and territorial integrity and in the spirit of friendship and mutual accommodation, the Union of Burma agrees to return to China the area of Hpimaw, Gawlum and Kangfang (measuring about 153 square kilometres, 59 square miles, and as indicated in the attached map) which belongs to China; and the People's Republic of China agrees to delimit the section of the boundary from the junction of the Nam Hpa and the Nam Ting Rivers to the junction of the Nam Hka and the Nam Yung Rivers in accordance with the notes exchanged between the Chinese and the British Governments on June 18, 1941, with the exception of the adjustments provided for in Articles II and III of the present Treaty.

### Article II

In view of the relations of equality and friendship between China and Burma, the two Parties decide to abrogate the "perpetual lease" by Burma of the Meng-Mao Triangular Area (Namwan Assigned Tract) which belongs to China. Taking into account the practical needs of the Burmese side, the Chinese side agrees to turn over this area (measuring about 220 square kilometres, 85 square miles, and as indicated in the attached map) to Burma to become part of the territory of the Union of Burma. In exchange, and having regard for the historical ties and the integrity of the tribes, the Burmese side agrees to turn over to China to become part of Chinese territory the areas (measuring about 189 square kilometres, 73 square miles, and as indicated in the attached map) under the jurisdiction of the Panhung and Panlao tribes, which belong to Burma according to the provision in the notes exchanged between the Chinese and the British Governments on June 18, 1941.

### Article III

For the convenience of administration by each side and having regard for the intra-tribal relationship and production and livelihood needs of the local inhabitants, the two Parties agree to make fair and reasonable adjustments to a small section of the boundary line as defined in the notes exchanged between the Chinese and the British Governments on June 18, 1941, by including in China Yawng Hok and Lungnai Villages and including in Burma Umhpa, Pan Kung, Pan Nawng and Pan Wai Villages, so that these boundary-line-intersected villages will no longer be intersected by the boundary line.

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#### Article IV

The Chinese Government, in line with its consistent policy of opposing foreign prerogatives and respecting the sovereignty of other countries, renounces China's right of participation in mining enterprises at Lufang of Burma as provided in the notes exchanged between the Chinese and the British Governments on June 18, 1941.

#### Article V

The Contracting Parties agree that the section of the boundary from the High Conical Peak to the western extremity of the Sino-Burmese boundary, with the exception of the area of Hpimaw, Gawlum and Kangfang, shall be fixed along the traditional customary line, i.e., from the High Conical Peak northwards along the watershed between the Taping, the Shweli and the Nu Rivers and the section of the Tulung (Taron) River above Western Chingdam Village on the one hand and the Nmai Hka River on the other, to a point on the south bank of the Tulung (Taron) River west of Western Chingdam Village, thence across the Tulung (Taron) River and then further along the watershed between the section of the Tulung (Taron) River above Western Chingdam Village and the Tsayul (Zayul) River on the one hand and all the upper tributaries of the Irrawaddy River excluding the section of the Tulung (Taron) River above Western Chingdam Village on the other, to the western extremity of the Sino-Burmese boundary.

#### Article VI

The Contracting Parties affirm that the two sections of the boundary from the High Conical Peak to the junction of the Nam Hpa and the Nam Ting Rivers and from the junction of the Nam Hka and the Nam Yung Rivers to the southeastern extremity of the Sino-Burmese boundary at the junction of the Nam La and the Lanchang (Mekong) Rivers were already delimited in the past and require no change, the boundary being as delineated in the maps attached to the present Treaty.

#### Article VII

1. In accordance with the provisions of Articles I and V of the present Treaty, the alignment of the section of the boundary line from the High Conical Peak to the western extremity of the Sino-Burmese boundary shall be as follows:

(1) From the High Conical Peak (Mu-Lang Pum, Manang Pum) the line runs northwards, then southeastwards and then northeastwards along the watershed between the Taping River (Ta Ying Chiang), the Lung Chuan Chiang (Shweli) and the Nu (Salween) River on the one hand and the Nmai Hka River on the other, passing through Shuei Cheng (Machyi Chet) Pass, Panwa Pass, Tasamin Shan, Hpare (Yemawlaunggu Hkyet) Pass and Chitsu (Lagwi) Pass to the source of the Chu-i Ta Ho (Chu-iho Ta Ho).

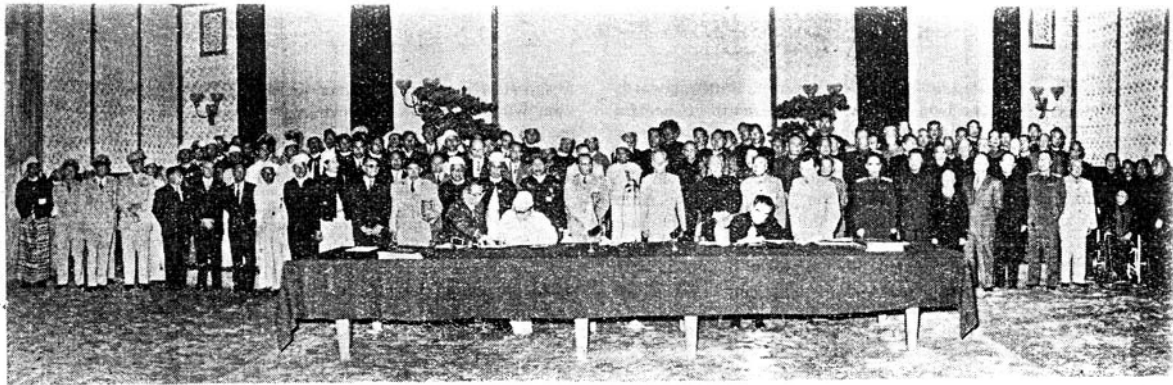
(2) From the source of the Chu-i Ta Ho (Chu-iho Ta Ho) the line runs northwestwards along the Chu-i Ta Ho (Chu-iho Ta Ho) to its junction with its tributary flowing in from the north, thence northwards along this tributary to a point on the watershed between the tributaries of the Hpimaw (Htangkyam Kyaung) River on the one hand and the Wang Ke (Moku Kyaung) River and its tributary, the Chu-i Ta Ho (Chu-iho Ta Ho), on the other, thence westwards along this watershed, passing through Ma Chu Lo Waddy (height 2423 metres, 7950 feet), thence northwards till it crosses the Hpimaw (Htangkyam Kyaung) River west of Hpimaw Village; thence northwards along the ridge, passing through Luksang Bum and crossing the Gan (Kang Hao) River to reach the Wu Chung (Wasok Kyaung) River; thence westwards along the Wu Chung (Wasok Kyaung) River to its junction with the Hsiao Chiang (Ngawchang Hka) River; thence northwards up the Hsiao Chiang (Ngawchang Hka) River to its junction with the Ta Hpawte (Hpawte Kyaung) River. Thence the line runs north of Kangfang Village generally eastwards and then southeastwards along the watershed between the Hsiao Hpawte (Hpawshi Kyaung) River and the Wu Chung (Wasok Kyaung) River on the one hand and the Ta Hpawte (Hpawte Kyaung) River on the other, to a point on the watershed between the Nu (Salween) and the Nmai Hka Rivers.

(3) From the above-mentioned point on the watershed between the Nu (Salween) and the Nmai Hka Rivers, the line runs generally northwards along the watershed between the Nu (Salween) River and the section of the Tulung (Taron) River above Western Chingdam Village on the one hand and the Nmai Hka River on the other, passing through Kia Ngo Tu (Sajyang) Pass, Sala Pass, Ming Ke (Nahke) Pass, Ni Chi Ku (Gi Gi Thara) Pass, Kawchi Thara Pass, Jongit L'ka and Maguchi Pass; thence the line continues to run northwards and then generally westwards, passing through Alang L'ka, Mawa L'ka, Pang Tang Shan (Pumtang Razi), Lonlang L'ka, Hkora Razi to Tusehpong Razi.

(4) From Tusehpong Razi, the line runs generally northwestwards along the ridge, passing through height 2892 metres and height 2140.3 metres, to a point on the south bank of the Tulung (Taron) River west of Western Chingdam Village. Thence it crosses the Tulung (Taron) River to its junction with its tributary on its northern bank, and thence northwestwards along the ridge to Kundam Razi (Lungawng Hpong).

(5) From Kundam Razi (Lungawng Hpong) the line runs generally northwards and northwestwards along the watershed between the section of the Tulung (Taron) River above Western Chingdam Village on the one hand, and the upper tributaries of the Irrawaddy River [excluding the section of the Tulung (Taron) River above Western Chingdam Village] on the other, passing through Thala Pass, Sungya (Amansan) L'ka to Yulang Pass.

(6) From Yulang Pass the line runs generally southwestwards along the watershed between the Tsayul (Zayul) River on the one hand and the upper tributaries of the Irrawaddy River on the other, passing through Gamlang



Premier of the State Council of the People's Republic of China Chou En-lai (right) and Prime Minister of the Union of Burma U Nu (left) sign the Sino-Burmese Boundary Treaty

L'ka to the western extremity of the Sino-Burmese boundary.

2. In accordance with the provisions of Articles I, II, III and VI of the present Treaty, the alignment of the section of the boundary line from the High Conical Peak to the southeastern extremity of the Sino-Burmese boundary shall be as follows:

(1) From the High Conical Peak, the line runs generally southwestwards along the watershed between the upper tributaries of the Taping River, the Mong Ka Hka and the upper tributaries of the Ta Pa Chiang (Tabak Hka) Rivers on the one hand and the lower tributaries of the Nmai Hka River on the other, passing through Ta Ya Kou (Lunghkyen Hkyet), and thence northwestwards to Hsiao Chueh Pass (Tabak-Hku Hkyet).

(2) From Hsiao Chueh Pass (Tabak-Hku Hkyet), the line runs down the Ta Pa Chiang (Tabak Hka), the Mong Ka Hka and up the Shih Tzu (Paknoi Hka) River (the upper stretch of which is known as the Hkatong Hka River) to its source.

(3) From the source of the Shih Tzu (Paknoi Hka) River the line runs southwestwards and then westwards along the watershed between the Monglai Hka on the one hand and the Pajao Hka, the Ma Li Ka River and the Nan Shan (Namsang Hka) River on the other, to the source of the Laisa Stream.

(4) From the source of the Laisa Stream, the line runs down the Laisa Stream and up the Mu Lei Chiang (Mole Chaung) and the Ga Yang Hka (Cheyang Hka), passing through Ma Po Tzu (A-law-Hkyet), and then runs southwards down the Nan Pen Chiang (Nampaung Hka) to its junction with the Taping River; thence eastwards up the Taping River to the point where the Taping River meets a small ridge west of the junction of the Kuli Hka Stream with the Taping River.

(5) From the point where the Taping River meets the above-mentioned small ridge, the line runs along the watershed between the Kuli Hka Stream, the Husa (Namsa Hka) River and the tributaries of the Namwan River on the one hand and the tributaries of the Taping River west

of the Kuli Hka Stream on the other, up to Pang Chien Shan (Pan Teng Shan).

(6) From Pang Chien Shan (Pan Teng Shan), the line runs southwards to join the Kindit Hka, then down the Kindit Hka and the Nam Wa Hka (Pang Ling River) to a point on the south bank of the Nam Wa Hka (Pang Ling River) southeast of Man Yung Hai Village and north of Nawng Sa Village, thence in a straight line southwestwards and then southwards to the Nan Sah (Manting Hka) River; then it runs down the course of the Nan Sah (Manting Hka) River as at the time when the boundary was demarcated in the past, to its junction with the Namwan River, thence down the course of the Namwan River as it was at that time, to its junction with the course of the Shweli River as it was at that time.

(7) From the junction of the courses of the Namwan River and the Shweli River as at the time when the boundary was demarcated in the past, to the junction of the Shweli and the Wanting (Nam Yang) Rivers, the location of the line shall be as delineated on the maps attached to the present Treaty. Thence the line runs up the course of the Wanting (Nam Yang) River as at the time when the boundary was demarcated in the past, and the Weishang Hka, then turns northwestwards along a tributary of the Nam Che Hka (Nam Hse) River to its junction with the Nam Che Hka (Nam Hse) River, thence eastwards up the Nam Che Hka (Nam Hse) River, passing through Ching Shu Pass, and thence along the Monglong Hka and the course of the Mong Ko (Nam Ko) River as at the time when the boundary was demarcated in the past, thence up the Nam Hka and the Nam Pang Wa Rivers, passing through a pass, and then along the Man Hsing (Nam Hpawn) River [whose upper stretch is known as the Nam Tep (Nam Lep) River] to its junction with the Nu (Salween) River, thence eastwards up the Nu (Salween) River to its junction with the Ti Kai Kou (Nan Men) Stream.

(8) From the junction of the Nu (Salween) River with the Ti Kai Kou (Nan Men) Stream, the line runs southwards along the Ti Kai Kou (Nan Men) Stream, then southwestwards then southwards along the watershed between the Meng Peng Ho (the upper stretch of the Nam Peng River) on the one hand and the tributaries of the Nu (Salween) River on the other, up to Pao Lou Shan.

(9) From Pao Lou Shan, the line runs southeastwards along the Wa Yao Kou Stream, the ridge south of the Mai Ti (Mai Ti Ho) River, the Pan Chiao Ho and the Hsiao Lu Chang (Hsin Chai Kou) Stream up to the source of the Hsiao Lu Chang (Hsin Chai Kou) Stream. From the source of the above stream to the junction of the Nam Hpa and the Nam Ting Rivers, the location of the line shall be as delineated on the maps attached to the present Treaty. The line then runs eastwards for about four kilometres (about three miles) up the Nam Ting River and thence southeastwards along the northwest slope of Kummuta Shan (Loi Hseng) to the top of Kummuta Shan (Loi Hseng).

(10) From the top of Kummuta Shan (Loi Hseng), the line runs southeastwards along a tributary of the Kung Meng Ho (Nam Loi-hsa) River to its junction with another tributary flowing in from the southeast; thence up the latter tributary to a point northwest of Maklawt (Ma-Law) Village. Thence, the line runs in a straight line to a point southwest of Maklawt (Ma-Law) Village, and again in a straight line across a tributary of the Yun Hsing (Nam Tap) River to Shien Jen Shan, located east of the junction of the above-mentioned tributary with another tributary of the Yun Hsing (Nam Tap) River; thence along the watershed between the above two tributaries of the Yun Hsing (Nam Tap) River to the source of the one to the west and then turns westwards and southwestwards along the Mong Ling Shan ridge, up to the top of Mong Ling Shan. Thence it runs eastwards and southeastwards along the Nam Pan River to its junction with a tributary, northeast of Yakaw Chai (Ya Kou Sai) Village, which flows in from the southwest; thence in a south-westerly direction up that tributary, to a point northeast of Yakaw Chai (Ya Kou Sai) Village, from where it turns southwards passing through a point east of Yakaw Chai (Ya Kou Sai) Village, and crosses a tributary of the Nam Pan River south of Yakaw Chai (Ya Kou Sai) Village, thence westwards to the source of the Nam It River a little east of Chao Pao (Taklyet No) Village. Thence the line runs southwards along the Nam It and the Nam Mu Rivers, and then turns eastwards along the Nam Kunglong and the Chawk Hkrak Rivers to the northeast source of the Chawk Hkrak River.

(11) From the northeast source of the Chawk Hkrak River, the line runs southwards and eastwards along the watershed between the upper tributaries of the Nam Kunglong River on the one hand and the southern tributaries of the Chawk Hkrak River and the Nan Tin (Nam Htung) River on the other, to a point on the west side of Umhpa Village. Thence it runs eastwards passing a point 100 metres north of Umhpa Village, and then eastwards up to the source of a small river on the above-mentioned watershed; thence along the ridge eastwards to the source of a tributary of the Mongtum (Nam Tum) River (the upper stretch of which is called the Ta Tung River), which it follows in an easterly and north-easterly direction to its junction with another tributary of the Mongtum (Nam Tum) River flowing in from the southeast; thence it follows this tributary to its source on the watershed between the Mongtum (Nam Tum) and the Lung Ta Hsiao Ho (Nam Lawng) Rivers. It then crosses the watershed in an easterly direction to the source of the Lung Ta

Hsiao Ho (Nam Lawng) River which it follows to its junction with its tributary flowing in from the north, thence in a northerly direction along the above-mentioned tributary, passing through a point on the Kanpinau Ridge, thence generally eastwards along a valley, crossing the junction of two sub-tributaries of a tributary of the Lung Ta Hsiao Ho (Nam Lawng) River, then northeastwards to the watershed between the Mongtum (Nam Tum) River on the one hand, and the Nam Ma River on the other, until it reaches height 1941.8 metres (6370 feet). Thence the line runs eastwards, then southwards and then north-westwards along the watershed between the Mongtum (Nam Tum), the La Meng (Nam Meng Ho), the He (He Ho), the Ku Hsing Ho (Nam Hka Lam) and the Nam Hka Hkao (Nam Hsiang Ho) Rivers on the one hand and the Nam Ma River on the other, up to a point on this watershed northwest of La Law Village.

(12) From the point on the above-mentioned watershed northwest of La Law Village, the line runs down the nearest tributary of the Nam Hka Hkao River and thence down the Nam Hka Hkao River to its junction with a tributary flowing in from the southwest. Thence the line runs generally southwestwards up that tributary to its source, which is northeast of and nearest to height 2180 metres (7152 feet). Thence it crosses the ridge at a point 150 metres (492 feet) southeast of the above-mentioned height and then turns southwards to the source of the nearest tributary of the Nam Lung (Nam Sak) River, rising at the above-mentioned height. Thence it runs along this tributary to its junction with the Nam Lung (Nam Sak) River, from where it proceeds along the Nam Lung (Nam Sak), the Nam Hse and the Nam Hka Rivers to the junction of the Nam Ilka and the Nam Yung Rivers, and thence up the Nam Yung River to its source.

(13) From the source of the Nam Yung River the line runs in a south-easterly direction to the watershed between the Na Wu (Nam Wong) and the Nam Pei (Nam Hpe) Rivers; thence generally eastwards along the above-mentioned watershed, and then eastwards along the Na Wu (Nam Wong) River, which it follows to its junction with the Nan Lai (Nam Lai) River, thence along the watershed between the Na Wu (Nam Wong) and the Nan Lai (Nam Lai) Rivers to the Anglang Shan (Loi Ang Lawng) ridge; thence northwards along the ridge to the top of Anglang Shan (Loi Ang Lawng), thence generally eastwards along the ridge, crosses the Nam Tung Chik (Nam Tonghkek) River and then follows the watershed between the tributaries on the west bank of the Nam Lei (Nam Lwe) River at the north of the La Ting (Hwe-kye-tai) River and the Nan La Ho [a tributary of the Nan Ma (Nam Ma) River] on the one hand and the tributaries on the west bank of the Nam Lei (Nam Lwe) River at the south of the La Ting (Hwe-kye-tai) River on the other, up to the top of Pang Shun Shan (Loi Pang Hsun).

(14) From the top of Pang Shun Shan (Loi Pang Hsun) the line runs generally eastwards along the La Ting (Hwe-kye-tai) River, the Nam Lei (Nam Lwe) River, the course of the Nan Lo (Nam Law) Stream as at the time when the boundary was demarcated in the past, and the



Nan Wo (Nambok) River to the source of the Nan Wo (Nambok) River at Nan Wo Kai Nan Shan (Loi Kwainang).

(15) From the source of the Nan Wo (Nambok) River at Nan Wo Kai Nan Shan (Loi Kwainang) the line runs generally eastwards along the watershed between the Nan La (Nam Lak) [a tributary of the Nam Lei (Nam Lwe) River], the Nan Pai (Nam Hpe) and the Nan Hsi (Nam Hok) Rivers on the one hand and the Nan Ping (Nam Hpen), the Nam Mau (Nam Mawng) and the Nan Hsi Pang (Nam Hsi Pang) Rivers on the other, up to San Min Po (Loi Hsammong).

(16) From San Min Po (Loi Hsammong) the line runs in a general north-easterly direction to a point on the west bank of the Nam Lam River. Thence it descends the Nam Lam River to the foot of Chiu Na Shan (Kyunak) on the south bank of the Nam Lam River and then runs in a general south-easterly direction passing through Hue Ling Lang (Hwe Mawk-hkio), La Ti (La Tip), Nan Meng Hao (Nam-mong Hau) to Mai Niu Tung (Mai Niu-tawng); thence the line runs in a general north-easterly direction passing through Lung Man Tang (Long-man-tang) to the Hui La (Hwe-La) Stream, which it follows northwards to its junction with the Nam Lam River. Thence the line runs eastwards and southwards along the Nam Lam, the Nan Chih (Nam Se) Rivers and the Nam Chia (Hwe Sak) Stream, to Lei Len Ti Fa Shan (Loi Len Ti Hpa). The line then follows the Nam Mot (Nan Mai), the Nan Tung (Nam Tung) and the Nam Ta Rivers to Hsing Kang Lei Shan (Loi Makhinkawng).

(17) From Hsing Kang Lei Shan (Loi Makhinkawng) the line runs eastwards along the watershed between the Nam Nga River and its upper tributaries on the one hand and the Nam Loi River (including its tributary the Nam He River) on the other, to the top of Kwang Pien Nei Shan (Kwang Peknoi).

(18) From the top of Kwang Pien Nei Shan (Kwang Peknoi) the line runs generally northeastwards along the Hue Le (Nam Luk) River and the course of the Nam Nga River as at the time when the boundary was demarcated in the past, to the junction of the Nam Nga and the Lanchang (Mekong) Rivers; thence down the Lanchang (Mekong) River up to the southeastern extremity of the Sino-Burmese boundary line at the junction of the Nam La and the Lanchang (Mekong) Rivers.

3. The alignment of the entire boundary line between the two countries described in this Article and the location of the temporary boundary marks erected by both sides during joint survey are shown on the 1/250,000 maps indicating the entire boundary and on the 1/50,000 maps of certain areas, which are attached to the present Treaty.

#### Article VIII

The Contracting Parties agree that wherever the boundary follows a river, the midstream line shall be the boundary in the case of an unnavigable river, and the middle line of the main navigational channel (the deepest watercourse) shall be the boundary in the case of a navigable river. In case the boundary river changes its course,

the boundary line between the two countries shall remain unchanged in the absence of other agreements between the two sides.

#### Article IX

The Contracting Parties agree that:

1. Upon the coming into force of the present Treaty, the Meng-Mao Triangular Area to be turned over to Burma under Article II of the present Treaty shall become territory of the Union of Burma;

2. The area of Hpimaw, Gawlum and Kangfang to be returned to China under Article I of the present Treaty and the areas under the jurisdiction of the Panhung and Panlao tribes to be turned over to China under Article II shall be handed over by the Burmese Government to the Chinese Government within four months after the present Treaty comes into force;

3. The areas to be adjusted under Article III of the present Treaty shall be handed over respectively by the Government of one Contracting Party to that of the other within four months after the present Treaty comes into force.

#### Article X

After the signing of the present Treaty, the Chinese-Burmese Joint Boundary Committee constituted in pursuance of the Agreement between the two Parties on the Question of the Boundary Between the Two Countries of January 28, 1960, shall continue to carry out necessary surveys of the boundary line between the two countries, to set up new boundary markers and to examine, repair and remould old boundary markers, and shall then draft a protocol setting forth in detail the alignment of the entire boundary line and the location of all the boundary markers, with detailed maps attached showing the boundary line and the location of the boundary markers. The above-mentioned protocol, upon being concluded by the Governments of the two countries, shall become an annex to the present Treaty and the detailed maps shall replace the maps attached to the present Treaty.

Upon the conclusion of the above-mentioned protocol, the tasks of the Chinese-Burmese Joint Boundary Committee shall be terminated, and the Agreement between the two Parties on the Question of the Boundary Between the Two Countries of January 28, 1960 shall cease to be in force.

#### Article XI

The Contracting Parties agree that any dispute concerning the boundary, which may arise after the formal delimitation of the boundary between the two countries, shall be settled by the two sides through friendly consultations.

#### Article XII

The present Treaty is subject to ratification and the instruments of ratification will be exchanged in Rangoon as soon as possible.

The present Treaty shall come into force on the day of the exchange of the instruments of ratification.

Upon the coming into force of the present Treaty, all past treaties, exchanged notes and other documents relating to the boundary between the two countries shall be no longer in force, except as otherwise provided in Article X of the present Treaty with regard to the Agreement between the two Parties on the Question of the Boundary Between the Two Countries of January 28, 1960.

Done in duplicate in Peking on October 1, 1960, in the Chinese, Burmese and English languages, all three texts being equally authentic.

Plenipotentiary of the  
People's Republic of China

**CHOU EN-LAI**  
(Signed)

Plenipotentiary of the  
Union of Burma

**U NU**  
(Signed)

**About the Author**

Dr Xiaolin Guo is an anthropologist with extensive fieldwork experience in Yunnan, southwest China. She has previously written on China's economic reform, rural conflict, PRC policies towards national minorities, and state-society relations. She works at the Central Asia-Caucasus Institute and Silk Road Studies Program, based at Uppsala University. She currently leads a research project on *Regional Economy and Foreign Affairs: The Development of China's West*, which examines the issue of China's deepening reforms in the vast territories along its national borders and initiatives aimed at improving relations with neighboring countries.

*About the Author*