



## CHAPTER VI

### ROLES OF EXTERNAL ACTORS

When analyzing the relations between Thailand and Myanmar, particularly in with respect to conflicts and confrontations between them, one should not overlook the many factors connected with external actors. The political and economic rivalry between China and India is considered as one of the crucial factors affecting problems between Thailand and Myanmar. The competition between them allowed Myanmar to benefit from its strategic geographical position. Policies with strategic implications, such as China's "Indian Ocean" policy and India's "Look East" policy resulted in increased political and economic ties with Myanmar. Its closer association with the two powers during the 1990s undoubtedly strengthened Myanmar in both political and economic terms. It provided Myanmar with more bargaining power, especially when an incident occurred with Thailand, allowing it to hold different kinds of cards.

Closure of border as the Myanmar military government's response to Thailand when conflicts broke out, usually did not seem to be a severe problem inside Myanmar, despite the fact that all economic transactions along the Thai-Myanmar border are cut off. For economic losses from the measure seemed to be made up for by trade on other borders.

The drug problem in northern Myanmar, adjacent to China's Yunnan border, has also impacted deeply on the relations between Thailand and Myanmar. In the 1990s, China came to see the expansion of drug activities, conducted in this area by the United Wa State Army (UWSA or red Wa), the former Mong Tai Army under Khun Sa and Kokang ethnic minority, as a threat to Chinese security. So China used its growing influence, based on military and economic assistance, to move the drug production and trafficking from the northern part of the Shan States towards the south, next door to Thailand. The Myanmar government's relocation policy involving the Wa and the Kokang people in Shan States seems to be the best example of Chinese influence on

Myanmar's policy-making process. This situation meant that, whenever an incident took place in the Shan States, Thailand had to deal, not only with Myanmar and the ethnic groups concerned, but also with the China factor.

Furthermore, Thai-Myanmar relations have also been influenced by the policy of the United States, which continued to play a crucial role and wield strategic power in the region. After 9/11, US military cooperation with regional states, including Thailand, was focused on combating international terrorism. Myanmar was perceived as one of the largest drug suppliers and thus a potential financial supporter of terrorist movements around the world. In addition, the US became concerned with China's growing influence in the Shan States. As a result, military exercises, such as Cobra Gold and the US Special Forces' counter-drug operation training sometimes took place in Thai border areas. Thai-US cooperation became an issue, when Thai-Myanmar conflicts occurred. In such situations, Myanmar's state-run publications would accuse Thailand of siding with or being influenced by a great power.

Another policy of the US, affecting bilateral ties between Thailand and Myanmar has been the US' economic sanctions against Myanmar. These sanctions increased Myanmar's distrust of Thailand, a long time ally of the US. They contributed to Myanmar's mounting economic problems, increased the suffering of its people, and helped to sustain flows of migrants to Thailand. Moreover, US assistance for humanitarian causes and for supporting democracy in Myanmar has also been an important factor in Thai-Myanmar relations, which will be examined below. Other major powers, such as Japan and the European Union, as well as the various international organizations such as the United Nations, played important roles in the region, which also affected Thai-Myanmar relations and should be considered. But for the purposes of this thesis and because the roles of China, India, and the US seemed preeminent during the period under study, it would be more appropriate to narrow the study and focus on these three major powers. The question to be examined is: how do the roles and policies of these three external actors directly or indirectly affect Thai-Myanmar relations?

## China

Changing of the power structure within China is an important condition that changes the role of engagement between China and Myanmar. Even though Myanmar was the fourth country, following India, Sweden and Denmark, which had recognized the Chinese communism in the late 1940s, the relation touched the worst point during the Cultural Revolution (1966-1969).<sup>1</sup> During that time China, pursuing a foreign policy inspired by Maoist ideology rather than national interest, upgraded its military and logistical support for the Communist Party of Burma (CPB) which had been one of the major irritants between China and Myanmar.<sup>2</sup> However, under the changing global situation in the late 1980s, China's economic liberalization policy initiated by Deng Xeroxing began with the border agreement between the two countries and in 1989 took place.<sup>3</sup> These circumstances replaced the old power structure brought to an end to communist operation along the Yunnanese China-Myanmar border and ameliorated the relations to become closer both in political and economic terms.

At the same time, Myanmar failed to handle the economic stagnation and political confrontations between the government and ethnic dissidents in the country during the 1980s. Problems resulted from the neutralized policy of Ne Win since 1962 showed bad symptoms during this time. Open the door to the world at least in economic terms from the Ne Win's Burmese Way to Socialism to the market-oriented economic policy was the first thing needed to be done. Bad economic and political suppression angered people all around the country enough to stage the demonstration. The movement of people became a confrontation and a nation-wide demonstration in 8 August 1988. As a result, the massacres conducted by the Myanmar Armed Forces led to the suspension of international aid and development assistance to Myanmar, with the result that in early

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<sup>1</sup> Khien Theeravit, China's foreign policy. The Thailand research fund and China's studies center, Institute of Asian studies, Chulalongkorn University (Bangkok: Chulalongkorn University Press, 1998), p.380.

<sup>2</sup> David Arnott, "China-Myanmar Relations," in Challenges to democratization in Myanmar: Perspectives on multilateral and bilateral response (Stockholm: Institute for Democracy and Electoral Assistance (International IDEA), 2001), p. 69.

<sup>3</sup> Ibid.

1989, foreign currency reserves were reported to be down to \$US9 million.<sup>4</sup> At this point the new incarnation of military rule, the State Law and Order Restoration Council (SLORC) decided to modify the previous policies of isolation to welcome economic assistance and investment from outside.

During the late 1980s till the early 1990s military assistance, trade and investment agreements were signed between China and Myanmar. According to Desmond Ball, “the special relationship between Rangoon and Beijing began in October 1989, a year after the SLORC assumed power, when a Myanmar delegation visited China and arranged for purchase of some \$US1.2 billion worth of Chinese military equipment, including ‘ground-based radars’, ‘radio sets for military use’, and six *Hainan*-class patrol boats fitted with radar and electronic warfare systems.”<sup>5</sup> These agreements had been made under mutually beneficial purposes for both countries. From China’s perspective, Myanmar is seen as a strategic country so as to counter the other Asian major power in the South, India. Reaching the Bay of Bengal is the desirable goal for China both as a political and economic destination. On the other hand, after the massive crackdown in 1988 Myanmar did not guarantee her security under such context in which the continuity of armed ethnic insurgency and international sanction, particularly as arm dealers had still remained.<sup>6</sup> According to this point, Chinese military assistance could allow Myanmar to sustain and remain law and order within the country. The result of this policy has been said, “The Chinese-supplied materiel and training have allowed the enlarged and re-organized Tatmadaw, using all-weather roads to stay in the field throughout the year and hold onto captured territory. This has favored a strategy of occupation in which the main victims have been the non-Burman civilian populations. The social and economic life of millions of people was radically dislocated by this strategy, resulting in a rate of suffering and death far greater than during the earlier period

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<sup>4</sup> Ibid.

<sup>5</sup> Desmond Ball, *Myanmar’s military secrets* (Bangkok: White Lotus, 1998), pp. 219-220.

<sup>6</sup> David Arnott, “China-Myanmar Relations,” in *Challenges to democratization in Myanmar: Perspectives on multilateral and bilateral response*, p. 69.

of combat.”<sup>7</sup> It was said that during 1990-1995 China gave a budget of approximately \$US1,500-2,000 million to Myanmar to increase military potential.<sup>8</sup> Fighter aircraft, tanks, artillery, radar, signal intelligence equipment and electronic warfare equipment were sold to Myanmar.<sup>9</sup> Such military equipment undoubtedly helped the government to increase capacity to easily stage a war with any ethnic minorities or even political dissidents. It can be considered without hesitation that the strengthening of military units in Myanmar caused a prominent flow of refugees into Thailand over the border as a new bilateral problem between Thailand and Myanmar until today.

In the economic manners, China also looked at Myanmar as a market for Chinese goods and as an important trade route to the Indian sub-continent and India Ocean.<sup>10</sup> The main objective of Chinese economic activities in Myanmar was also to serve Chinese security perspective, which aimed to reach the Indian Ocean. Otherwise, the main desire of Chinese economic planners was to open the old Myanmar Road to link up the poorer inland provinces, such as Yunnan.<sup>11</sup> Cordial political relations and geographic proximity have encouraged the economic ties which were mainly focused on border trade officially opening between the two countries in 1988. The bilateral trade agreement has ranged from the wood trade to a \$US250 million loan deal for a 280 megawatts hydroelectric power plant in the northern part of Myanmar in 1998.<sup>12</sup> Later that year according to Myanmar's Central Statistical Organization, the Myanmar-China bilateral trade, including border trade, reached \$US78.21 million in the first two months of the year, a sharp increase of 123.7% over the \$US34.95 million figure registered in the same period the

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<sup>7</sup> Ibid., p. 73.

<sup>8</sup> Khien Theeravit, *China's foreign policy*, p.381.

<sup>9</sup> Christina Fink, *Living silence: Burma under military rule*, p.233.

<sup>10</sup> Ibid.

<sup>11</sup> Mohan Malik, "Burma's role in regional security," in *Burma/Myanmar: Strong Regime/Weak State*, eds. Morten B. Persen, Emity Rudland, and Ronald J. May (Australia: Crawford House Publishing, 2000), p.250.

<sup>12</sup> The Irrawaddy, "Chronology of Chinese-Myanmar relations," *The Irrawaddy* [Online] Available from: <http://www.irrawaddy.org/aviewer.asp?a=446&z=14>

prior year.<sup>13</sup> Nevertheless, the economic ties of both countries could expand its bilateral trade to \$US1 billion, according to official figures, with Myanmar importing about \$US900 million worth of goods and exporting \$US170 million.<sup>14</sup> Recently, Myanmar and China have signed a package of 21 economic and technical agreements ranging from concessional loans for telecommunication infrastructure projects to deals for agricultural production equipment in March 2004.<sup>15</sup> Moreover, Myanmar and China signed 11 agreements on bilateral cooperation during the Myanmar Prime Minister's visit on 11 July 2004, including an interest-free \$US 6 million Chinese loan to purchase new railway carriages.<sup>16</sup> With this in mind, it shows that China will be one of the main bargaining powers for the Junta to rely on. Closure of the border by the Junta, even though it caused suffering to Myanmar's people who live along the border, was always used when the problems had begun with Thailand. This measure did not affect the county as a whole because the whole economic arena was being sustained from the different sources, not specifically from the Thai border.

However, the importance of the Chinese influence in Myanmar is that it had an impact on Thailand and Myanmar relations would not be completely understood if we do not look through Chinese influences in the context of northern region of Myanmar both politically and economically. The case that I would like to pursue is concerning the role of "Red Wa" and its drug business.

The main objective of the Chinese government at the end of the 1980s in order to implement her new policy that I have mentioned earlier was to create and develop a northern area of Myanmar (at that time the war between the CPB and the Myanmar

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<sup>13</sup> Aung Naing Oo, "Good neighbors: Just what the Junta needs," *The Irrawaddy* [Online]. 2004. Available from: <http://www.irrawaddy.org/aviewer.asp?a=408&z=29>

<sup>14</sup> Naw Seng, "Myanmar signs economic agreements with China," *The Irrawaddy* [Online]. 2004. Available from: <http://www.karen.org/news/messages/2826.html>

<sup>15</sup> Ibid.

<sup>16</sup> The Irrawaddy, "Khin Nyunt Visits China," *The Irrawaddy* [Online]. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3790&z=109>

government had broken), to be a safe zone. On the other hand as a part of Myanmar, the government was too weak to keep fighting with the strong ethnic insurgents, especially the CPB, after the 1988 incident. Both countries aimed to come closer to each other in order to serve their own first priority for their survival by the 1990s. The reduction of Chinese assistance to CPB seemed to be clear evidence of her stance to hold a non-interference policy with neighboring countries which profited Myanmar in terms of decreased power of CPB.<sup>17</sup> After the reduction, there were problems within the CPB concerning its divided ideology among the members. As a result, CPB fell and was replaced by “Red Wa” followed by the ceasefire agreement with the Myanmar government in 1989 which allowed them to have their own autonomy at the town called Pangsang.\* The terms amounted to freedom for the groups to produce and traffic opiates in exchange for a ceasefire with Rangoon and an agreement not to form alliances with the other insurgencies opposed to Rangoon.<sup>18</sup>

The rapidly growing drug business in the northern region of Myanmar inevitably threatened Chinese security. As the market for Red Wa, China’s demand for drugs such as heroin and amphetamine caused much trouble to the government in connection with drug trafficking, crime and HIV/AIDS. It is estimated that the number of patients receiving HIV/AIDS since 1990 until the mid-1990s from using drug injection was more than 70 percent.<sup>19</sup> Moreover, there are probably 40,000 people addicted to drug since

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<sup>17</sup> Vorasuk Mahadthanobon, “China in dimensions of Thai-Myanmar conflicts: volume 6,” Matichon Weekly (2 September 2002): 39.

\* Wa is one of the ethnic minorities living in the northern area of Myanmar. Wa formally joined the Myanmar Communist Party in the 1960s in order to stage the revolution over the Myanmar government. CPB comprised of many other ethnic minorities such as Kachin, Tai and Mon, not only Wa. However, CPB collapsed because of the reduction of the Chinese assistance and the conflict among the members of different ethnic groups. Due to the closer association both in terms of language and nationality receiving Chinese influence, Wa became the next leader and occupied the area used to be taken over by CPB which is Pangsang. That’s the origin of the name “Red Wa”.

<sup>18</sup> David Arnott, “China-Myanmar Relations,” in Challenges to democratization in Myanmar: Perspectives on multilateral and bilateral response, p.74.

<sup>19</sup> Vorasuk Mahadthanobon, “China in dimensions of Thai-Myanmar conflicts: volume 7,” Matichon Weekly (9 September 2002): 33.

1988 and the number increased to 520,000 in 1995.<sup>20</sup> A reaction to this situation tended to be increased numbers of addicts if no effective countermeasure were taken.

Due to the China's stance of non-interference with neighboring countries, China could not convey her concerns frankly. By not doing so, the movement of China so as to reduce and solve the drug problem in the Southwestern region, thus, had to be concerned with the fact that the Red Wa and its area was important for China to get through to the Bay of Bengal but, at the same time, it caused China drug disaster. Therefore, China had to balance between the solving drug problem within the area and helping Red Wa develop its economic arena and infrastructure for China's own purpose. Therefore, the target had to be aimed to the Myanmar's government.

Increasing Chinese influential power towards Myanmar in terms of military and economic assistance may also directly cause the movement of drug trafficking and production from the northern region of Shan State to the Southern area. This was a pressure from China to Myanmar. The relocation policy of Wa and Kokang people in Shan State by the Myanmar government seems to be the best example of Chinese influence in the Myanmar policy-making process. China made a strong effort to remove drugs from the Myanmar-Chinese border due to the increasing number of drug abusers affecting China as I have mentioned above. At the same time, this policy can be seen as Myanmar's strong will to eradicate drugs in the country in order to release the international pressure on their drug issue. As a result and starting in 1999, the government declared that the Northern region along the Chinese border would be a drug-free zone within five years - by 2005. The Myanmar government reasoned that its relocation policy would help people who used to grow opium as their usual life to leave the opium-growing area and to settle in the new settlement without drugs. After 1999, thousands of people involved for decades in the drug business were moved down and relocated to the Southern area along the Myanmar-Thai border under the protection and convenience of the Myanmar government. It is reported from the Shan Herald Agency as

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<sup>20</sup>  
Ibid.



saying, “Opium could not grow in the northern area of Shan State anymore because UN’s crop substitution project had replaced the area. Therefore, the area opposite to Thai border, Chaing Mai’s Mea Fah Luang district, was set as the new opium new plantation. Moreover, the estimated number of Wa and Kokang people who had moved down to this area is 75,000 people.”<sup>21</sup> Accordingly, drug production and trafficking moved closer and became more easily accessible for the Thai border after this policy had been launched in 1999.<sup>22</sup>

Therefore, the drug problem that Thailand is facing had an external factor playing a prominent role. The policy and practical reality of China are the most significant factors which have to be brought to our consideration. China keeps supporting the growth of the economy in the northern area of Myanmar. Apart from drug money developing the town, it is reported that a large amount of official support goes into this area both in Pang Sang and Muang Yuan.<sup>23</sup> Chinese shop houses, small enterprises or Chinese tourists may regularly be seen in both towns.<sup>24</sup> This movement directly impacted on Thailand’s security. Therefore, if we consider our drug problem, we cannot merely consider the role of Myanmar. We must analyze and understand the broader context which China had played a very important role in since the end of 1980s. Therefore, this problem could not be solved, without Chinese cooperation.

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<sup>21</sup> Pornpimon Trichote, “Drug Free Zone: Wa in 2005,” in From Irrawaddy to Salween: the analysis of politics, society, and relationships between Thailand and Myanmar, pp. 136-137.

<sup>22</sup> Kongpetch Kulsudjarit, “Thailand drug abuse and control report 2002-2003,” Paper presented at ISN meeting on cellular and molecular mechanism of drugs of abuse and neurotoxicity, and current status of dependency/ abuse studies, Japanese forum on narcotics and drug dependence studies, p. 115.

<sup>23</sup> Vorasuk Mahadthanobon, “China in dimensions of Thai-Myanmar conflicts: volume 8,” Matichon Weekly (16 September 2002): 41.

<sup>24</sup> Ibid.

## India

The picture of India and Myanmar's relations has prevailed with two major concerns for India. Firstly, India and Myanmar have joint border problems which were the insurgent movement. Therefore, if India has still remained a strong stance towards Myanmar, the insurgent problem might have massively threatened India's security instead. Secondly, China may play a crucial factor in this part. China has tried to reach the Bay of Bengal in order to maintain her political and economic influences in the region since the late 1980s. Both trade and military agreements were signed between China and Myanmar at the end of 1980s. These led Indian foreign policy to adjust from neglecting Myanmar, to start a new episode of policy.

There are two aspects of relations that both countries started initiating during the beginning of 1990s. Before that, India strongly persisted about the human rights and democracy. This led the sour relations between the two countries particularly during the 1988 incident. India was the first neighboring country to stand firmly on the side of democracy when the 1988 uprising took place in Myanmar. According to Thin Thin Aung and Soe Myint, "The Indian Embassy in Rangoon was active in helping pro-democracy activists and officials were in touch with opposition groups like the All Myanmar Federation of Students' Unions (ABFSU), Aung San Suu Kyi and U Nu during the uprising."<sup>25</sup> India also provided financial assistance to student dissidents when they fled to India.

A constructive approach has been reviewed since the beginning of 1990s. The initial concern of India's was the insurgencies who moved along the Indo-Myanmar border. It is said that there have been some of insurgent groups fighting against the Indian government which were believed to have established relations with the local Myanmar commander.<sup>26</sup> India required cooperation in order to handle this security problem with Myanmar. It was also in Myanmar's own interests to tackle the insurgency problem, the

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<sup>25</sup> Ibid.

<sup>26</sup> Thin Thin Aung & Soe Myint, "India-Myanmar Relations," in Challenges to democratization in Myanmar: Perspectives on multilateral and bilateral response. p. 93.

Kachins and the Chins in this area for instance. After several visits by Myanmar military leaders, there were joint military efforts between the two armies to counter insurgents across the border. It is also said that “joint operation – code-named Operation Golden Bird – was launched between the Indian and Myanmar armies against the Indian insurgents in the Northeast in July 1995.”<sup>27</sup> The consequence of the military relations along the border was the Myanmar promised word to suppress India’s Naga insurgent which had its military base inside Myanmar.<sup>28</sup>

Moreover, Indian efforts at reviewing their relations with Myanmar were hugely influenced by the gains that China had made to develop closer relations with Myanmar.<sup>29</sup> To counter with China, new military bases in the Andaman and Nicobar Islands were established.<sup>30</sup> However, India’s military ties with Myanmar may not have accomplished comparatively with the Chinese military influences in the Bay of Bengal. Therefore, the only way that India could retain her position in Myanmar is with economic cooperation.

From the Indian perspective, Myanmar is located on the strategic area of India to reach the Southeast Asian market particularly after Myanmar had been accepted into ASEAN. India came to be the country sharing the common land border with an ASEAN member states. Alleviating the poverty and underdevelopment in the region by drawing on its historic links and developing its common land border with Myanmar is a subtle move to enhance its links with Myanmar. The two countries believed that the development of an infrastructure of both sides would be necessary. According to the Indian External Affairs Minister, “the road providing a link from India border to central Myanmar could promote exchanges in trade, travel, and tourism, and only then would the

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<sup>27</sup> Ibid.

<sup>28</sup> Pompimon Trichote, “Myanmar and the two Asian power countries,” *Mathichon weekly* (15 January 2001).

<sup>29</sup> Faizal Yahya, “Article Reviews: India and Southeast Asia: Revisited,” *Contemporary Southeast Asia* 25(2003): 94.

<sup>30</sup> Ibid.

full potential of border trading point be realized.”<sup>31</sup> In February 2001, Myanmar and India had agreed to open four-border checkpoints, and Myanmar would also consider the re-opening of the Indian consulate in Mandalay. India was also cooperating with Myanmar authorities to exploit hydropower projects along the Indian- Myanmar border. Moreover, India and Myanmar also had been under the operation of the Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation (BIMST-EC), adhering to the objective of promoting socio-economic developments and creating an enabling environment for cooperation in various fields between the member countries in order to enhance the livelihood of the peoples in the region.<sup>32</sup> Transportation infrastructure development as well as natural resource deals had been reached under the cooperation. Indo-Myanmar Friendship Road was built under the Indian Army’s Border Roads Organization’s financial assistance in 2001. The road is situated in Moreh in Manipur State, providing better link from the India–Myanmar border to, Mandalay, and central Myanmar.

The first economic ties between Myanmar and India were signed on the 21<sup>st</sup> January 1994. The two countries signed a Border Trade Agreement to legalize the trade that had been going on for centuries along the border areas. There were two Indian trade exhibitions held in Rangoon: one in February 1995 and the other in November 1997. Until recently, there were 32-border trade points being used. Of the 12 functioning trade points, Champhai and Tamu have been earning the Indian commerce ministry the largest revenues.<sup>33</sup> After the trade agreement, India was also one of Myanmar’s five major trading partners, with a trade volume between them amounting to about 240 million U.S. dollars in the 1995-96 fiscal year. Of the total, India's exports to Myanmar were 35 million to 40 million dollars while its imports from the country were valued at 200

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<sup>31</sup> Ibid., p. 93

<sup>32</sup> The Ministry of Foreign Affairs of Thailand[Online] Available from: <http://www.mfa.go.th>

<sup>33</sup> Shayam Auo, “Border Trade Given A Boost,” *The Irrawaddy* [Online]. 2002. Available from: <http://www.irrawaddv.org/aviewer.asp?a=2445&z=22>

million dollars.<sup>34</sup> In 2000-2001, the amount of Myanmar's export to India accounted for \$US179.2 and 194.5 million respectively.<sup>35</sup> Moreover, bilateral economic relations had been tied up by the Confederation of Indian Industry (CII) and Myanmar. According to Thin Thin Aung and Soe Myint, "Myanmar leaders invited more Indian investment in Myanmar in areas including agriculture, fisheries, pearl cultivation, infrastructure, oil and gas, mining and tourism. The CII had proposed to have a target of \$US2 billion bilateral trade between the two countries by the year 2003."<sup>36</sup>

From this point we might have seen a closer relations between India and Myanmar in some aspects. The main point which I would like to pursue is not only the concrete bilateral agreements between the two countries, but I also the consequences of the relations. India can be considered as one of Asian major power countries. Therefore, the relations with such a country means something both in concrete and abstract terms of relations. As the case of Myanmar, of course, the country could gain Indian relations in order to solve its own domestic problems together with balancing power with China. Nevertheless, we have to acknowledge the fact that closer relations with the military government of Myanmar will not allow that particular country to criticize Myanmar's internal situation. In this case, close military as well as economic ties between India and Myanmar would provide the space for neglecting the problem such as democracy and human rights which still occurred in Myanmar. On the other hand, the Myanmar democratic movement which used to be a part of the largest democratic society will remain silent in India. Thailand will be affected if the problems in Myanmar have been overlooked. No democratic movement means no chance to have a democracy in Myanmar. From this point, whenever the conflicts have been raised up with Thailand, Myanmar always has a suitable way out without directly solving the problems. The closer

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"India To Promote Trade Ties With Myanmar," Mizzima News[Online]. Available from: <http://www.mizzima.com/mizzima-works/researchs/1999/index3.htm>

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Myanmar, Key indicator of developing Asian and Pacific countries, International Monetary Fund [Online]. Available from: <http://www.imf.org>

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Thin Thin Aung & Soe Myint, "India-Myanmar Relations," in Challenges to democratization in Myanmar: Perspectives on multilateral and bilateral response, p 93.

relations may gain a reputation with Myanmar in some respects. One can imagine the incident that Thailand faced with Myanmar which had two Asian major power countries stay aside. Lastly, though the influences of India did not play a direct role in providing conflicts between Thailand and Myanmar relations, but the role remains abstractly in the relations.

### **The United States**

Strategic concerns of the US in the region had changed since the close of the Cold War. However, the presence of the US has still been seen recently but with changed primary concerns. Should the rise of Chinese implication in the Mainland Southeast Asia be the primary concern of the US? If we consider narrowly in the context of Myanmar, it might be correct. Some observers said that the current developing ties between the United States and India, including in a ballistic missile shield, and also those between the United States and Thailand in the part of collective counter-narcotic operation across the Myanmar border has been mentioned as the beginning of a proxy struggle between the United States and China.<sup>37</sup> Therefore, it is inevitable that Thailand and Myanmar have been brought to play in this phenomenon.

Roles of the US have been played in different ways, nevertheless, under the context of democracy, human rights and human security, fighting against terrorism as well as narcotic insurgencies. Such contemporary ideologies of the US prevail its foreign policy during this period. According to the US official, “the immediate US policy objective in Myanmar is to secure the release of Aung San Suu Kyi and NLD officials and encourage a genuine dialogue on democracy and political reform, including the re-opening of NLD party headquarters and all NLD regional officer. Overall US policy goals include a return to constitutional democracy, respect for human rights, cooperation in fighting terrorism, regional stability, a full accounting for missing US servicemen from

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<sup>37</sup> Andrew Selth, “Myanmar And Superpower Rivalries In The Asia-Pacific,” in Naval War College Press. Naval War College [Online]. Available from: <http://www.nwc.navy.mil>

World War II, combating HIV/AIDS, combating trafficking in persons and increased cooperation in eradication the production and trafficking.”<sup>38</sup>

Imposition of sanctions was used as the measure to press the Junta to remove the Myanmar political deadlock. The hard-line stance of the US government towards Myanmar began since at beginning of the 1990s. Following the military crackdown in 1988, the US suspended all aid and loans to the government, then about \$US16 million. This included around \$US10 million for an opium eradication program. However, the sanction was yet a *de jure* measure.

The formal and clear stance of the US government to put heavy measures onto Myanmar in order to pressure the Junta government to move on its democracy appeared in 1997. For the last months of 1996, events in Rangoon where student demonstrations resulted in the detention of nearly 700 people, and where several leading members of the NLD who had been arrested during the year were given long prison terms, gave rise to a discussion on what constituted large-scale repression. Finally, on the 22<sup>nd</sup> April 1997, President Clinton announced his decision to impose the investment ban. In May 1997, the US congress passed the sanction bill that prohibited any American investment in Myanmar. The US also imposed a visa ban on top SLORC official and their family members.

The toughest sanction on Myanmar was imposed in 2003. In July that year, the US President signed the Burmese Freedom and Democracy Act of 2003 and the US imposed significant additional economic sanctions on Myanmar. This law prohibited the import of any Myanmar product in the US, banned the provision of financial services to Myanmar, and frozen the assets of designated Myanmar institutions, including the State Peace and Development Council.<sup>39</sup> An existing visa ban also included all officials of the

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<sup>38</sup> The Bureau of East Asian and Pacific Affairs, “Conditions in Burma and U.S. policy toward Burma for the period March 28, 2003 - September 27, 2003,” US Department of State[Online], 2003. Available from: <http://www.state.gov/p/eap/rls/rpt/burma/25650.htm>

<sup>39</sup> *ibid.*

government-affiliated the Union Solidarity and Development Association\* and the managers of state-owned enterprises and their immediate family members.<sup>40</sup>

The sanction brought the economic situation in Myanmar downward. An unresolved banking crisis in the country still affected the economic expansion. After the sanction had been enacted, it was estimated that the expansion of unemployment had been in the severe situation. Within the first month of the sanctions, an estimated 30,000-40,000 garment sector workers lost their jobs.<sup>41</sup> This is the impact of import ban which was cut off completely from the US market. During 2002, the export from Myanmar to the US accounted for \$US356 million of which garments are the most significant export to the US. The US department of Commerce reported that the country imported Myanmar-made clothes to the value of \$US324 million in 2002.<sup>42</sup> Therefore, approximately 250 garment factories had to be closed down after the sanction had taken place.<sup>43</sup> The prohibition on financial services also created instant difficulties for businesses, government agencies, NGOs, embassies, and other institution using US financial systems. Of course, the country's foreign trade which almost of the foreign trade was dominated by US dollar was disrupted immediately.

As a result of the sanction, the people of Myanmar have to suffer from the law without any way out. Apart from the negative and direct impact on the Myanmar's domestic function, the sanction did also affect Thailand. The sanction forced thousands of unemployed people into illegal occupation both inside Myanmar and over the border in Thailand such as the sex trade or drug trafficking which can carry the HIV/AIDS problem

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\* The Union Solidarity and Development Association (USDA) is a government-supporting organization. It functions as a government intelligence to defend the interests of the military regime in the lower level of the society.

<sup>40</sup> The Bureau of East Asian and Pacific Affairs, "Conditions in Burma and U.S. policy toward Burma for the period March 28, 2003 - September 27, 2003," US Department of State[Online], 2003.

<sup>41</sup> Ibid.

<sup>42</sup> Bruce Hawke, "Beating the sanction," The Irrawaddy [Online], 2004. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3580&z=5>

<sup>43</sup> Press release, Federation of Trade Unions-Myanmar (15 June 2003).



to Thailand. According to Kyaw Yin Hlaing, a Myanmar scholar who works for the National University of Singapore, US sanctions are forcing many workers out of the textile industry and into prostitution.<sup>44</sup>

The influence of the US has been seen in the flow of US assistance for the humanitarian and democratic organization both inside and outside of Myanmar. The aim of promoting democracy, supporting human rights, human security as well as effective counter-narcotic supports have been implemented through a channel of budget assistance primary under the USAID program to the humanitarian and democracy movement organizations in the region, particularly in Myanmar.\* In 2003, a budget of \$US6.5 million was spent on democracy activities and humanitarian programs including HIV/AIDS problems in Myanmar.<sup>45</sup> The amount of money was divided into \$US3 million to assist people who fled Myanmar and, now, live in Thailand and \$US3.5 million to democracy activities supporting English training and scholarship for Myanmar students to pursue their higher education opportunities.<sup>46</sup> The budget continued its objective and assistance in 2004 but, interestingly, there are some adjustments. USAID recently and intentionally adjusted its program to support pro-democracy groups. According to a US official, "USAID and the Department of State are exploring opportunities to expand support for pro-democracy activities inside Myanmar. USAID will continue to refocus its humanitarian activities to benefit more disadvantaged Myanmar living outside of official refugee camps."<sup>47</sup> From this point, the political

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<sup>44</sup> Tim Shorrock, "Myanmar getting attention in US," The Irrawaddy [Online]. 2004. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3811&z=11>

\* According to USAID, the program covered the democracy program both inside and outside of Myanmar, HIV/AIDS program focusing on primary prevention programs aimed at the most at risk persons as well as humanitarian assistance program aiming to build the capacity of Myanmar refugees along Thai-Myanmar Myanmar.

<sup>45</sup> Burma, US Agency for International Development [Online]. 2004. Available from: [http://www.usaid.gov/policy/budget/cbj2004/asia\\_near\\_east/Burma.pdf](http://www.usaid.gov/policy/budget/cbj2004/asia_near_east/Burma.pdf)

<sup>46</sup> Ibid.

<sup>47</sup> Ibid

situation in Myanmar should be put into our consideration because one way or another the political confrontations will be easily erupted.

Even though this kind of aid will be necessary for the people suffering from both occasionally erupting political confrontations and the worst economic situation in Myanmar, but we have to consider the question whether the democratic funding and assistance would be considered as the international interference in Myanmar domestic affairs. However, this thesis does not intend to answer that particular question. But my primary concern towards this circumstance is whether the assistance will lead Myanmar into political confrontations between the strong military government and the democratic movement or not? How many Myanmar's people will suffer from the fight and confrontations as that this country has experienced for such a long period of time? Apparently, the political refugees will be an unavoidable problem that Thailand has to face in the unstable future.

As I have mentioned earlier, roles of the US has been conducted by the rise of China within the region. As the result of China's closer association with Myanmar, the US aims to expand her role by playing under the context of military training and cooperation with Pakistan and Thailand. However, this concern has been replaced more by the other security concerns after the 9/11 Incident and the US-led war against terrorism. After the US military had occupied Afghanistan and destroyed opium plantation and drug facilities in the country, Myanmar was under the eye of the US as the second largest drug producing country in the world. The US has tried to draw connection to the drug business in Myanmar, which is yet to be eliminated, with terrorist financial support. The assumption that Myanmar and its drug business in the country will rise up and be the prominent supporter of terrorist movements has been initiated. As a result of this concern, Thailand was situated on the US security target in order to suppress drug business in Myanmar and maintain its influence within the region. The US and Thailand have such a cooperation, which mainly focuses on a military special exercise and a counter-narcotic assistance. The Cobra Gold Military Training would be an example of

the US role in Thailand which has led to tension in bilateral relations between Thailand and Myanmar.\*

Even though the Cobra Gold Military Training was established in order to strengthen the military capacity to counter communist threat in the Cold War period, the operation has added new security concerns in order to act as a counter-narcotic cooperation. The annual Cobra Gold Military Training received the attention of Myanmar's government when the operation was exercising near the northern border of Thailand in May 2001. During that time, the two countries reached their strained relations due to the claim of supporting drug trafficking by both sides. The operation incited the dismal relations when Cobra Gold included the training of Thai Army Forces by US Special Forces in the fight against drug and increased border security which also had a responsibility to train the newly established military unit, Thai Special Task Force.<sup>48</sup> This new military unit or Task Force 399 of Thailand was established to tackle the drug problems along the border with Myanmar. Task Force 399 comprised of Thai Special Forces, Border Patrol Police, army infantries and a group from the US Special Force specifically designed to tackle drug trafficking in Thailand. However, allegations came out that the operation has violated Myanmar's sovereignty because of cross-border excursions into the territory.<sup>49</sup>

Such operation and training have been given as the Foreign Military Financing or FMF by the US.<sup>50</sup> The purpose is to help Thailand strengthen and protect its security in the border area particularly from narcotic trade and trafficking. Also, the US Drug Enforcement Administration or DEA has provided drug intelligent service between

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\* Cobra Gold is a regularly-scheduled joint/combined exercise and is the latest in the continuing series of U.S. – Thai military exercises and Cobra Gold is one of several training exercises the US conducts with Thailand each year.

<sup>48</sup> Maung Maung Oo and John S. Moncrief, "Cobra gold goes north," *The Irrawaddy* [Online] 2001. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3376&z=21>

<sup>49</sup> Shawn L. Nance, "Goodbye to Task Force 399," *The Irrawaddy* [Online]. 2002. Available from: <http://www.irrawaddy.org/aviewer.asp?a=2032&z=22>

<sup>50</sup> Matichon Weekly (16 December 2001).

Thailand and the US in order to fight against drug both in the country and along the border. This is the clear evidence that ensures the role of the US in Thailand. Even though the threat of communist expansion had ended, the role of the US has still remained but in the different scenario. Whether the US would like to maintain its power in the region, to counter Chinese influences in the northern area of Shan state, or to prevent drug activities from international crime and terrorism, it definitely affects Thai-Myanmar relations. Closer association between Thailand and the US may prolong distrust and misunderstanding due to a threat for Myanmar national security. The Thai-Myanmar bilateral problems become more complex and hard to lessen when we also have China and India in the context of relations.