

The Geopolitics and Economics of Burma's Military Regime, 1962-2007. Understanding SPDC Tyranny

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Is anything new under the sun in military-ruled Burma? On August 15, 2007, the State Peace and Development Council (SPDC) military junta ordered a cut in subsidies for gasoline products, resulting in a 100 percent price increase for diesel oil and as much as 500 percent for compressed natural gas. The decree was unexpected, and imposed great hardship on people whose standard of living was already precarious. Public transport became unaffordable, forcing many people to walk to work. Food trucked in from rural areas became more expensive. Shop owners and business people could no longer afford diesel oil to fuel their generators, the only reliable source of electricity in Rangoon and most other places in Burma.[1]

1988 and 2007

Older Burmese recalled an earlier government economic initiative, the Ne Win regime's sudden demonetization order on September 5, 1987 that made 70 to 80 percent of all kyat (Burmese currency) banknotes worthless, without compensation.[2] Designed to cripple "economic insurgency" (the black market), the measure impoverished people from all walks of life, not only small-scale business people and traders, but civil servants, university students, day laborers and sidecar (trishaw) drivers. In

Ne Win's Burma, most people kept their kyat savings in cash rather than in the unreliable banking system, and demonetization caused their hard-earned funds to suddenly evaporate.[3]

That same month, following protests by university students, the universities were temporarily closed by the authorities and the students sent home.[4] But the economic impact of the demonetization order - the impoverishment of millions of people - was a major factor in the massive popular protests of 1988 that led to the emergence of the pro-democracy movement led by Daw Aung San Suu Kyi and the collapse of the Ne Win regime, though not an end to military rule.



August 1988 protest, Sule Pagoda, Rangoon



Members of National League for Democracy

In 1988, protests started small, but grew rapidly during March of that year due to popular resentment, indeed hatred, of the regime. This stemmed not only from economic grievances, but also from the readiness of the authorities to use lethal force to deal with student demonstrations. During March 12-18, hundreds of protesters were killed.[5] By late summer, the Tatmadaw (Burmese armed forces) and Riot Police (Lon Htein) killed thousands more in the streets of Rangoon and other cities, and the shootings continued after the State Law and Order Restoration Council (SLORC, known after November 1997 as the SPDC) seized power on September 18, 1988. In stark terms, the violent events of 1988 constituted not only a massive revolt of the population against the state, but also the state’s “pacification” of society, both before and after the violent birth of the SLORC martial law regime.

In 2007, the pattern was remarkably similar. On August 19, a civil society group known as the “’88 Student Generation Group,” veterans of the earlier protests, held a march with about 400 participants demanding that the SPDC rescind the fuel price hike.[6]

During demonstrations over the next few days, protesters were attacked by toughs affiliated with the Union Solidarity and Development Association (USDA), a pro-government organization, and many participants, including ’88 Student Generation leaders Min Ko Naing and Ko Ko Gyi, were arrested. Others such as human rights activist Su Su Nway narrowly escaped imprisonment by going underground.[7]

Beatings and Boycotts

A crucial new stage in the protest was reached when security forces beat and humiliated Buddhist monks during a demonstration in the central Burma town of Pakokku on September 5. The following day, Pakokku monks briefly took government and military officials hostage. An organization known as the “Alliance of All-Burma Buddhist Monks” demanded an apology from the government for its abuse of the monks. If such an apology were not forthcoming by September 17, they vowed to impose a boycott on offerings to the Sangha (Buddhist monkhood) given by members of the Tatmadaw and other people connected to the regime. Known in Pali as patam nikkujjana kamma and colloquially as “turning over the offering bowl,” the monks’ refusal to accept offerings or participate in ceremonies

connected with military personnel would deprive the latter of the major means of earning merit (kutho in Burmese), which in the Theravada Buddhism of Southeast Asia is essential to winning a happy rebirth in the cycle of samsara (death and rebirth).[8]

Again, there was a precedent. Such a boycott had been initiated in summer of 1990 following the shooting of monks at a demonstration in Mandalay. Activist young monks and their supporters among Buddhist lay people believed that the Sangha’s paramount status as “sons of the Buddha” in Burmese society would oblige the SLORC/SPDC to make concessions, especially since rank-and-file soldiers are generally devout Buddhists, fearful of losing opportunities for merit-making. But neither in 1990 (when monasteries were raided by the Tatmadaw and monk boycott organizers arrested) nor in 2007 did this turn out to be the case.

When the date for the apology passed, the boycott began and monks numbering in the thousands marched in protest in Rangoon, Mandalay, Sittwe, Pakokku and other towns. This movement became known as the “saffron revolution,” though the robes of Burmese monks are dark red rather than yellow. On Saturday, September 22, police inexplicably allowed a procession of several hundred monks to walk to the house of Aung San Suu Kyi in Rangoon and she came to the gate to pay her respects. People got their first glimpse of the pro-democracy leader in over four years – she had been put under a renewed term of house arrest in 2003. The impact on the public, who deeply respect Daw Suu Kyi despite SPDC efforts to marginalize her, cannot be overestimated.[9] By September 24-25, as many as 100,000 monks and lay people joined in protests in Rangoon, congregating at the Shwedagon Pagoda, the holiest site in Burmese Buddhism, and at the Sule Pagoda just across from the Rangoon City Hall. Both places had been sites of major demonstrations – and

military shootings – during 1988. It was at the Shwedagon that Daw Suu Kyi, speaking before a crowd of hundreds of thousands of people on August 26, 1988, declared that the protests against the Ne Win regime that year constituted “the second struggle for national independence.”[10]



Monks, surrounded by supporters, September 24, 2007

Originally, the monks discouraged lay people from joining in the protests, but by September 25, when demonstrators seemed to be taking over Rangoon’s streets and the security forces still maintained a low profile, they were calling for a nationwide movement to overthrow the military regime. Monk and layperson marchers carried pictures of Gotama Buddha, Buddhist flags and red “fighting peacock” flags (symbol of the old, politically active student unions) and called for the release of Daw Suu Kyi from house arrest. Thus, as in 1988, the original economic grievances gave way to fundamental questions about the SPDC’s legitimacy, its right

to rule, and specifically its repression of all political opposition.

The Junta Crackdown

Predictably, the junta cracked down. Beginning on September 26, troops and Riot Police stationed in strategic parts of Rangoon, especially around the Shwedagon Pagoda, fired tear gas, rubber bullets and live ammunition at the protesters. According to SPDC spokesmen, the number of fatalities over the next few days was ten, but émigré sources estimated as many as two hundred deaths. According to one report, soldiers in red bandanas had permission from their commanders to shoot people in the street, while those wearing green or yellow ones could beat and arrest them.[11] Monasteries were raided, monks beaten and imprisoned, and thousands of prisoners, both monks and lay people, detained at special holding centers in various parts of the city where they were subjected to inhuman conditions.

The worst day appears to have been September 27, when the killing of peaceful demonstrators occurred at a high school in Tamwe in northeastern Rangoon, and around the Sule Pagoda.[12] As photos and videos of the crackdown streamed out of Burma on the World Wide Web, including those showing the apparent deliberate and close-range shooting of Japanese journalist Nagai Kenji by a soldier on September 27, international indignation grew and the special envoy of the United Nations Secretary General to Burma, Ibrahim Gambari, made a special visit to the country to meet with Aung San Suu Kyi and Senior General Than Shwe, chairman of the SPDC and the junta's most powerful general. But by the end of the month, the streets of Rangoon and other towns had been largely cleared of protesters, and the authorities were ruthlessly hunting down dissidents who had gone underground.[13]



Aung San Suu Kyi with Ibrahim Gambari

There were differences between the protest movement of 1988 and that of 2007, both in terms of its nature, and the military regime's response. Monks had taken part in the 1988 movement, but the most important group organizing protests and "strike centers" at that time were university students such as Min Ko Naing, not members of the Sangha. After almost two decades of tight government controls over the campuses, including the relocation of colleges and universities to remote locations outside of Rangoon to sever ties between student activists and townspeople, young students (in contrast to the '88 Student Generation) seem to have been relatively inactive in 2007.[14]

Also, the regime's violence was more restrained than nineteen years earlier, when troops poured live ammunition into packed crowds and killed thousands, though the émigré figure of 200 dead in 2007 is probably closer to the actual number of fatalities than the official figure of ten. This time around, non-lethal as well as lethal means were used to clear the streets of protesters. Moreover, while information on the events of 1988 was limited because Burma was still an isolated country, largely cut off from global communications networks, in 2007 bloggers were able speedily to transmit photos and videos out of Rangoon

(more rarely, from other towns inside Burma). In response, the SPDC shut down internet cafés and the country’s two internet providers.

However, the government’s reaction to the protests was essentially the same in 2007 as it was in 1988: the iron fist. According to a Rangoon housewife interviewed in secret in October:

I saw people in the street just beaten up for no reason - just walking along the road, not even part of the protests. There was this young boy, he was alone and not shouting with the crowd or clapping. This captain came up to him, just started beating him and the boy fell on the street. Then the police pushed him into one of those trucks that were lined up to take demonstrators. As they pushed him, he fell again. Then the police took out a big stick and gave him a huge blow on the back. After that, the captain told everyone in the street that they had 10 minutes to clear off. People were running for their lives. The vendors started to grab their things. There was one lady selling fritters and she had a big vat of hot oil - she had to walk with this oil and they came after her and beat her to make her move faster. I saw two boys at that moment walking up with cellphones. The captain grabbed the boys, took their cellphones and

pushed them into the truck.[15]

Buddhism and the State

That the SPDC would use armed force against Buddhist monks, killing at least several of them and wounding and imprisoning many more, shocked people inside Burma including, it appears, many members of the armed forces.[16] But since 1988, the top generals have given generous donations to prestigious pagodas such as the Shwedagon in Rangoon and compliant senior monks, thereby enhancing their legitimacy as defenders and promoters of the faith. This is a tradition going back to at least the eleventh century ruler Anawrahta, founder of the Pagan Dynasty (1044 - ca. 1300), who was the first Burman monarch to make Theravada Buddhism the state religion.[17] Following the same logic, they have also ruthlessly suppressed uncooperative, mostly younger monks because they fear that criticism of the regime, based on Buddhist moral principles, would undermine their legitimacy.[18] Arguably, the generals hate and fear activist monks even more than they do Daw Suu Kyi and her National League for Democracy (NLD), the largest opposition party. While the latter pose a challenge to the military regime in the form of a revival of Burma’s modern, secular traditions of revolutionary nationalism (epitomized by Aung San, Daw Suu Kyi’s father), monk opposition constitutes a fundamental attack on the SPDC’s very “Burmese-ness,” its oft-repeated claim to embody and protect Burma’s national identity, whose core is Buddhism.

The Tatmadaw and the Sangha

The Tatmadaw and the Sangha are Burma’s two most important social institutions, whose members both number around 400,000. They found themselves in conflict in September 2007, but given the army’s monopoly of lethal force and its determination to use it, monks

chanting the Metta Sutta (the Sutra on Loving Kindness) had no more chance of prevailing than the unarmed student activists of 1988.

According to another witness, a teacher, interviewed in Rangoon:

I know dozens of monks. One monk is very old. He is 78. It never occurred to him that in his lifetime he would have to hide. The day after the shootings started, I went to this monastery and the faces that I saw on those monks was something that I had never seen. It is not fear. It was a sadness so unbelievable. Now the young monks that I talked to - who weren't rounded up - they want to disrobe. They don't have the moral courage to go on. "Better to be a layman," they said. I told them that this would be a terrible loss for our Buddhism. "No," they say. "What's the use of meditation? The power of meditation can't stop them from beating us." The worst thing now is that no amount of persuasion from the abbots will stop the young monks from disrobing. An abbot of a monastery where hundreds of children are taught said three quarters of the monks had fled...[19]

As people around the world watched the suppression of the monk and citizen demonstrations in late September, two questions came to mind. First, why does the military regime act so violently against their

own people, especially since the political opposition in Burman majority central Burma, whether in the form of Daw Suu Kyi's National League for Democracy, the "saffron revolution" or the generally peaceful marches in support of the monks by laypeople, has been almost without exception moderate and non-violent?[20] In other words, why is the SPDC so tyrannical? Secondly, how can they get away with it? Why hasn't the international community been able to get the SLORC/SPDC to improve its behavior?

Why is the SPDC so Tyrannical?

If they agree on little else, Burma watchers concur that the political crisis in Burma continues unabated: a vicious cycle of state repression and ineptness (including economic measures such as the 1987 demonetization and the 2007 fuel price hike), an explosion of popular anger and its expression in unarmed demonstrations, and the regime's use of lethal force to suppress them. Nothing that either a moderate opposition or the international community can do seems to modify its harshness (Aung San Suu Kyi has repeatedly called for dialogue between the NLD and the SPDC, but to no avail). In central Burma, this cycle reaches back to at least July 1962, when General Ne Win, who had established his martial law junta, the Revolutionary Council, only a few months before, ordered his troops to fire on student demonstrators at the Rangoon University campus and demolish the Rangoon University Student Union building.

Usually, unrest was linked to economic hardship, inflation and shortages of necessities, especially rice. This was true during the anti-Chinese riots of June 1967 (which some observers have suggested may have been largely regime-instigated), the labor strikes of May-June 1974, and the events of 1987-1988, as well as 2007. In other cases, student activism itself provided the stimulus: for example, the July 1962 incident and the "U

Thant incident” of December 5-11, 1974, when university students seized the coffin of the highly esteemed United Nations Secretary General U Thant (he had died in New York of cancer in November 1974) and attempted to bury it at a mausoleum built on the empty site of the Rangoon University student union building. Troops moved onto the campus and killed an undetermined number of students as well as protesters at large in the city.[21] Student-centered protests flared up again in 1975, 1976 and again in 1996. In none of these cases, has the (Ne Win, SLORC/SPDC) military regime ever made a serious effort to use negotiation rather than brute force to resolve the crisis.[22]

In *Making Enemies: War and State Building in Burma*, Mary Callahan focuses on the central role of the Tatmadaw as a “war fighting” as well as a governing institution. In a study that encompasses the colonial, wartime and parliamentary democracy periods (the nineteenth century to 1962), she claims that the military regime’s essentially coercive approach to governing derives from the fatal coupling of war and state-building, which precluded peaceful, accommodative solutions to internal political problems during the formative years of Burma’s colonial and post-colonial history.[23]

The modern Burmese army was established by the Japanese as the Burma Independence Army in December 1941. Since then, it has fought the British, the Japanese, ethnic and communist insurgents in the countryside and border areas, and an invasion of Kuomintang Chinese “irregulars” who entered the Shan States in 1949-1950 and later became deeply involved in drug-dealing. After the Ne Win regime was established, the People’s Army of the Burma Communist Party, based along the Burma-China border and generously funded by the Chinese communists in Beijing, became the most powerful insurgency fighting the Tatmadaw during 1968-1988. Moreover, at

least in the initial stages of independent Burma’s history, protests inside central Burma, including student protests, were often communist-inspired - though by 1988 this appears no longer to have been the case. In short, Burma’s status as a “fault line” of Cold War regional tensions and superpower intervention (for example, US Central Intelligence Agency support for the Kuomintang “irregulars”) generated the conditions that led the armed forces not only to seize power from civilian politicians, but also to enforce an uncompromising power monopoly after 1962.[24]

Two trends are apparent in the post-1988 Tatmadaw - and especially among its highest ranking officers. First, it is increasingly isolated from the ordinary population, Burman as well as ethnic minority, in an evolving power structure that has become -ironically - highly “colonial” in its control and management of space and resources; and secondly, this isolation and the continued vicious cycle of oppression-revolt-suppression has deprived the SPDC of any meaningful popular support outside of a small circle of crony capitalists such as Teza, owner of Htoo Trading and a major figure in the construction of the new SPDC capital, Naypyidaw.

From Rangoon to Naypyidaw

Always regarded as a foreign army of occupation in ethnic minority areas such as Karen and Shan States, army officers and men seem to have enjoyed a modicum of respect and popular support in lowland Burman areas because of their role in enforcing national unity in distant border battlefields - that is until the crackdown in 1988 erased the distinction between Burman “Us” and ethnic minority/communist “Them” by using much the same lethal tactics against the former as against the latter, on an unexpectedly large scale.

Residents of Rangoon have told me that a major reason why the SPDC decided to undertake the costly project of building a new capital, Naypyidaw, in the center of the country in 2005 was to avoid the danger of popular unrest in Rangoon, Mandalay and other large cities. In August and September 1988, at the height of anti-regime protests, top-ranking army personnel living with their families in Rangoon, surrounded by civilians, quit the city and stayed in military installations until after the September 18 SLORC power seizure. Many officers feared that if popular forces succeeded in toppling the government, they might be subject to a French Revolution-style terror, or at least “Nuremberg-style” trials. Since 1988, military officers and men and their families have enjoyed facilities – housing, hospitals, schools and universities, recreational areas and shops – far superior to those to which civilians have access, save for the richest of the new SPDC-linked capitalist class. This pattern of segregation, the management of space, invites comparison with that of European colonialists who established their own neighborhoods and social circles apart from those of the “natives” in the years before World War II. Moreover, Tatmadaw officers have been, at least when compared with civilian workers, generously rewarded for their loyalty to the SPDC: in 2006, salaries of battalion commanders were increased ten times.[25]

Between 1989 and 2005, the SLORC/SPDC worked diligently to make Rangoon and other large cities “insurrection-proof” or safe for themselves and their families by relocating people from the city center to outlying satellite towns (an estimated half a million in Rangoon alone, mostly involuntarily), removing university campuses, hotbeds of dissent, to remote areas, tearing down neighborhoods where protests had taken place (such as Rangoon’s Myeinigone Market area) and replacing them with new apartments and shopping centers, and redesigning the city streets and open spaces to make them easier to

control.[26] Through an open economy policy encouraging foreign investment in condominiums, shopping centers, golf courses and luxury hotels, the regime sought to create the illusion, if not the reality, of consumerism and rising urban standards of living, making Rangoon appear increasingly like other Southeast Asian capitals, such as Bangkok and Kuala Lumpur.[27] But Burma’s economy continued to stagnate, lurching from crisis to crisis such as the 2003 failure of the country’s new commercial banks. Most importantly, the great majority of city residents (and rural Burmese as well) did not share in the benefits of the post-socialist economy. The SPDC abandonment of Rangoon in 2005 in favor of the ultra-controlled, artificial urban spaces of Naypyidaw 320 kilometers to the north thus constitutes the ultimate step in the “colonial” segregation of ruler and ruled.[28]



Naypyidaw government buildings overlook a shanty town

The Failure of Sanctions

The second question posed above – why hasn’t the international community been able to pressure the SPDC into improving its behavior toward its own people? – is closely connected to the perennial debate over the efficacy of using economic and other sanctions versus “constructive engagement” in dealing with the Myanmar junta. Since the mid-1990s,

policymakers in the United States and other Western countries have seen tough economic sanctions as the most effective way of getting the junta to reform, or even forcing it from power (though the first serious U.S. sanctions, a ban on new American investment, were not implemented until 1997); while Asian countries, including Japan, see economic engagement (trade, aid, investment) and what Japanese leaders called “quiet dialogue” as more successful in coaxing the regime toward greater openness. But by the close of the twentieth century, it was clear that neither policy had worked in getting the junta to observe democratic or human rights norms. The SPDC has been able to support itself by selling the country’s abundant natural resources, especially natural gas and teak wood, to its Asian neighbors, making it immune to economic penalties imposed by the West (sanctions) and indifferent to financial rewards (from Japan and the West) as long as they have human rights/democratization strings attached.[29] Burma’s neighbors also give the junta economic support because of strategic considerations. For example, the Indian government was initially hostile to the SLORC, but began to engage with the regime in order to counterbalance Chinese influence in the country, which has a long Indian Ocean coastline where Chinese naval listening stations are rumored to have been built. ASEAN also promotes close economic engagement to prevent the country from falling entirely within Beijing’s sphere of influence.

At the height of the anti-government protests in late summer of 1988, the governments of developed countries including Japan, West Germany and the United States initiated a freeze of disbursements of foreign aid. Although some aid was later resumed (especially by Japan, which remains Burma’s largest donor of ODA), such funding was never as generous nor played as important a role in the post-1988, post-socialist Burmese economy as it did during the closing years of the Ne Win

regime, when hundreds of millions of dollars of mostly low-interest loans flowed into the country annually for construction of development projects.[30]

Some observers have argued that official development assistance, especially from Japan, played a role in keeping the Ne Win regime afloat during its leanest years in power.[31] After 1988, the aid freeze forced the newly-established State Law and Order Restoration Council to find other sources of economic support, an urgent priority due not only to its lack of hard currency reserves (as low as US\$10 million in late 1988) but also due to the continued restiveness of the population and the SLORC’s fear that the Tatmadaw might split, a faction of officers going over to the side of the opposition in the manner of the Philippine army during the “People’s Power” protests of 1986.[32] The SLORC needed infusions of cash to buy the army’s loyalty and the weapons necessary to keep the population cowed.

Burma and the Asian Economic Integration

On October 6, less than a month after the SLORC power seizure, trucks were observed carrying arms provided by Singapore from Rangoon port to the military cantonment in Mingaladon Township on the city’s north side. This initial arms purchase was probably a barter arrangement, like subsequent deals.[33] The junta also obtained a large infusion of cash (around US\$435 million) from sale of a portion of its embassy land in Shinagawa Ward, Tokyo, to a small Japanese company at a time when Tokyo land prices were sky high.[34] Most fundamentally, the SLORC passed the Union of Burma (Myanmar) Foreign Investment Law in November 1988 that allowed foreign companies to establish branches, wholly owned subsidiaries or joint ventures with domestic firms, on the model of China and Vietnam.

Following a summit in Rangoon between SLORC chairman General Saw Maung and Thai

army commander Chaovalit Yongchaiyuth in December 1988, the newly installed junta signed contracts with Thai companies to exploit forestry resources just inside Burma’s border with Thailand, and also permitted Thai exploitation of offshore fisheries.[35] Clear-cutting of forests has also occurred in Kachin State, with the logs being exported to China. In the mid-1990s, the Myanmar Oil and Gas Enterprise (MOGE) established a joint venture with foreign (French, Thai and American) oil companies to construct a natural gas pipeline from the Yadana field in the Bay of Martaban to Thailand, for electricity generation.[36] The first delivery of natural gas to Thailand took place in 1998, and by 2006, Burma was Thailand’s largest supplier of energy.[37] Other offshore natural gas projects have followed, including the Shwe Prospect, a huge field in the Bay of Bengal that is being developed by MOGE and South Korean and Indian oil companies. Annual revenue to the SPDC from sales of natural gas now amount to hundreds of millions of dollars, and in coming years will grow to billions of dollars as the extraction of gas from offshore fields expands and prices rise because of intense competition for limited world energy resources.[38]



Oil fields north of Chauk

A life saver for the regime, this abundance of natural resources has been far from a blessing for the Burmese people since it ensures that the junta can buy weapons and surveillance

technology to suppress dissent, and the global environment of energy scarcity makes neighboring nations (even India, “the world’s largest democracy”) increasingly reluctant to criticize or pressure the regime. As a consequence, the SLORC/SPDC’s coercive governing style has not changed, as mentioned above. Aung San Suu Kyi was back under house arrest in 2000, released in 2002 and following a brutal attack on her and her followers by the USDA in Upper Burma on May 30, 2003 (the so-called Depayin or Black Friday Incident), she was again confined - her third term of house arrest since July 1989. Members of her National League for Democracy have been harassed, arrested and forced to resign from the party and party offices shut down nationwide. The NLD has been so thoroughly crushed that it did not play a major role in the August-September demonstrations. Brutal pacification of Karen, Karenni and Shan ethnic minority areas along the country’s borders continues unabated, though since 1989 the SLORC has signed cease-fires with most ethnic armed groups, including the powerful, drug-dealing United Wa State Army. The crackdown in September 2007 was further evidence that as long as neighboring states continue to pay for raw material exports, the SPDC believes it doesn’t need the support of its own people.

The collapse of Burmese-style socialism in 1988 occurred in tandem with a wider trend, not only the post-Cold War victory of free market capitalism over revolutionary ideology (in the words of one Thai prime minister, “turning battlefields into marketplaces”), but also the integration of continental Asia as an economic region once China, the more prosperous ASEAN states and most recently India began their periods of rapid growth and industrialization. This development has made Burma progressively less dependent on the West and Japan for trade, aid and investment.

The integration of continental Asia, the growing importance of overland as well as traditional

maritime routes that were established centuries ago, is likely to accelerate because of the Asian Highway project, which is designed to connect East, Southeast and South Asia with Central Asia and the Middle East; Chinese proposals to construct a transportation route joining Yunnan Province, the upper Irrawaddy Valley, Arakan State and the Bay of Bengal (thus by-passing the historically vital Straits of Malacca); and the Asian Development Bank-sponsored Greater Mekong Subregion project, which aims at the integration of the Mekong River littoral states, including Burma, and includes a plan to link the Andaman Sea overland with the South China Sea.

Those who contend that the SPDC's move of its capital city from the seaport of Rangoon to Naypyidaw is an expression of "traditional Burmese seclusionism" like the move of the royal capital from Lower to Upper Burma in the early seventeenth century may be mistaken.[39] The new capital is located close to the planned Asian Highway system, and to the adjacent hinterlands of China, Thailand, Laos and India. Based in Naypyidaw, the SPDC will be able to exert greater pressure on ethnic armed groups, not only the dissident Karen National Union and Shan State Army-South but also the United Wa State Army, which are obstacles to political and economic integration, and will also be able to exploit more effectively the natural resources of Upper Burma.[40] Rather than being isolated, the SPDC's new power center is in an ideal position to take advantage of the new regional economic order.

On October 1, 2007, Burma's foreign minister Nyan Win, responding to criticism of the SPDC crackdown the previous month at the United Nations General Assembly, accused "opportunists...aided and abetted by some powerful countries" of "neo-colonialist attempts" to impose some new form of Western hegemony on Burma.[41] But SPDC policies themselves have perpetuated a kind of neo-colonialism. Aside from textile plants located in

industrial estates on the outskirts of Rangoon (which have been hard hit by American sanctions) and a few rusting factories from the socialist era, SPDC-ruled Burma has little industry, a situation quite similar to the British colonial period. There are also few facilities to process raw material exports: natural gas is piped out of the offshore wells directly to foreign refineries, which turn it into useable fuels. Because these fuels, especially diesel oil, are more expensive than unrefined natural gas, Burma finds itself in the odd predicament of being an energy exporter that cannot afford adequate supplies of imported gasoline and other fuels - a major factor in the fuel price hike of summer 2007 that was the immediate cause of the August-September protests.[42]

Burmese logs are loaded onto trucks to be hauled to China to be sawed up.



Burmese teak

Processing and refrigeration plants for frozen seafood, exported to neighboring countries, often cannot function because of the unavailability of electricity. The SPDC builds a new, outwardly shiny capital, but the roads leading in and out of Naypyidaw are in poor repair. Outside of the Tatmadaw military caste, skilled labor is increasingly rare because of the woeful state of the nation's schools and colleges. Many of the most talented and best-educated Burmese leave the country and do not return. In consequence, Burma's economy remains a peripheral one: sustained (and also

crippled) by reliance on the export of low-cost, largely unprocessed commodities in exchange for manufactured goods from other parts of Asia. It also exports unskilled labor, with hundreds of thousands of economic refugees leaving the country to find jobs in neighboring countries to support their families back home. Poor Burmese are among the sub-proletariat of the “new” Asia: day laborers at construction sites, seamen, maids, sweat shop workers with no legal protection and workers in the sex industry, especially in northern Thailand.

During the post-Cold War period (that is, roughly, from 1988) there has emerged a structured hierarchy of domination and exploitation involving rapidly developing Asian states and those still mired in underdevelopment, in which Burma unfortunately finds itself at the bottom of the manufacturing, information and financial food chain. And a major reason why it finds itself in this baleful position is that the military regime has failed over the decades to work out a constructive, non-coercive relationship with the society it governs, a prerequisite for economic development. Since 1962, when General Ne Win carried out his coup d’état and toppled parliamentary government, bad governance has deprived the state of popular support, which in turn has made it necessary for the regime to seek external support at a high price - the junta’s own dependence on raw material exports to pay its troops and purchase new weapons from abroad and Burma’s inclusion within a trans-national economic system arguably as oppressive as that established by the British or even the wartime Japanese.

Conclusions

I have argued that the political crisis in Burma - the vicious cycle of bad governance, popular unrest, and the authorities’ violent suppression of demonstrations - shows little or no sign of abatement both because of the essentially coercive nature of the SLORC/SPDC and the

Tatmadaw, which have evolved institutionally in an environment of civil war and foreign intervention since Burma was invaded by the Japanese in 1941, and because the post-1988 inclusion of raw material-exporting Burma within a new economic hierarchy insulates the junta from pressure exerted either by individual nations (American and European sanctions) or the international community in the form of a largely ineffective United Nations whose envoys shuttle hopelessly between New York and Naypyidaw. Burma’s abundance of natural gas places the junta in an increasingly favorable financial position.

Military-ruled Burma is unhappily caught up in two forms of colonialism - or “neo-colonialism.” First, the ruling elite not only enjoys economic benefits unavailable to the general population, who find themselves increasingly mired in poverty, but it constructs segregated spaces for its own security and enjoyment - the ultimate example being the new capital of Naypyidaw, located in a remote part of the country. Like the British in the early part of the twentieth century, the SPDC has collaborators, but few genuine supporters among the population.[43] To deal with this lack of legitimacy, the British had the Indian Army and Imperial Police to quell their unruly Burmese (and Indian) subjects; the SPDC has a home-grown army, but one increasingly funded, equipped and trained by Burma’s neighbors and collaborators abroad, especially China, India, ASEAN and Russia.

Secondly, the country’s economic situation is a classic colonial one: export of cheap commodities in exchange for manufactured goods from abroad, while the population remains (in large measure a result of deliberate policy) unskilled and uneducated. One might also mention the existence of a comprador or capitalist go-between class, largely foreign business people who play a central role in negotiating trade. Business people of many nationalities, but especially Chinese, have

flocked to post-1988 “free market” Burma to make their fortunes in collaboration with the top SPDC generals. Among these are the group known as “Wa-Kokang Entrepreneurs,” major figures from the China-Burma border area who use revenues from the sale of drugs to invest in property and business ventures not only in Upper Burma (Mandalay), which since the SLORC power seizure has become a major center for Chinese business, but also more recently in Lower Burma (Rangoon).[44]

Given the hardening of these neo-colonial patterns since 1988, what can the international community do to improve the situation inside the country, in terms of human rights and human security? “Smarter” sanctions might be one answer, which target the top military-business elite rather than ordinary people (such as textile workers laid off by the ill-advised 2003 sanctions adopted by the United States, prohibiting U.S. imports of Burmese products).[45] Pressure on China, the junta’s most important backer, to become more active in getting the SPDC to reform is another option, but given Western nations’ growing economic ties with Beijing, there is little likelihood of their using, for example, the threat of a boycott of the Beijing Olympics to force change in China’s Burma policy.[46] Ideally, there should be close cooperation among all nations involved, including Burma’s neighbors, but given the wide divergence of national interests (especially in relation to energy) this may also be an unattainable goal. Perhaps the best that can be hoped for, at least over the short run, is a combination of moral support for the democratic opposition, intelligently designed sanctions on the part of Western nations and sustained international attention paid to the Burma crisis, including its greater prominence on the agenda of the United Nations despite Chinese or Russian vetoes in the Security Council.

For some years, observers have said that because of unceasing repression by the SPDC and the excessive caution of those of its leaders

who are not in prison, the National League for Democracy has become a spent force.[47] Although the NLD role was apparently minimal, the protests of August-September show that a new generation of oppositionists is emerging and the population at large is alienated from the SPDC, both because of its brutal treatment of the “sons of the Buddha” and its inept economic policies. On October 31, 2007, a group of about 100 monks held a procession in Pakokku, the Upper Burma site of the original incident on September 5 that led to the massive Sangha and lay protests later in the month. It was the first public dissent since late September.[48] What Aung San Suu Kyi back in 1988 called “the second struggle for national independence” is far from over.

- November 11, 2007

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He wrote this article for Japan Focus. Posted on November 11, 2007.

Notes

[1] Shah Paung. “Business, transport hit hard by Gas Hike.” The Irrawaddy on-line edition, August 16, 2007, at www.irrawaddy.org, accessed 09-24-2007. Low-ranking civil servants, for example, are paid 26,000 kyat per month, but following the subsidy cut will have to pay between 8,800 and 13,200 kyat per month to commute to work in Rangoon.

[2] Banknotes of 25, 35 and 75 kyats, which had been introduced following a 1985 demonetization order, were declared worthless, and replaced by banknotes of 45 and 90 kyats, which were said to reflect dictator Ne Win’s numerological obsession with the number “9.”

[3] The poorest people were especially hard hit, since the rich customarily kept their savings in the form of gold, gemstones or money-generating durables such as used cars and trucks that could be hired out.

[4] Bertil Lintner. *Outrage: Burma's struggle for Democracy*. Hong Kong: Review Publishing, 1989; pp. 95-97. Lintner's book remains the definitive account of the events of 1988.

[5] In one incident alone, the "White Bridge Incident" of March 16, 1988, between two and three hundred students were killed and many others arrested during a Riot Police attack on their protest march from the University of Rangoon to the Rangoon Institute of Technology.

[6] Loosely structured but united in their common experience of the 1988 uprising, the '88 Student Generation emerged during 2006 as the instigator of surprisingly effective protests. See Bertil Lintner. "Burma's warrior kings and the Generation of 1988" in [Global Asia](#), vol. 2, no. 2 (Fall 2007), accessed 10-22-2007.

[7] A huge mass, grass-roots organization under the patronage of SPDC Chairman Senior General Than Shwe, the USDA was responsible for an attack on Aung San Suu Kyi and her supporters in Sagaing Division that left an estimated 70 dead on May 30, 2003. On the arrests, see Kyaw Kwa Moe. "Burmese authorities hunt down key activists." [The Irrawaddy on-line](#) edition, August 25, 2007, accessed 09-24-2007; and "Activist Su Su Nway escapes arrest; 200 monks protest in Sittwe." [The Irrawaddy on-line](#) edition, August 28, 2007, accessed 09-24-2007.

[8] Yeni. "Burmese monks demand government apology." [The Irrawaddy on-line](#) edition, September 10, 2007, accessed 09-24-2007.

[9] Kyaw Zwa Moe. "Suu Kyi greets Monks at

her home; 10,000 monks demonstrate in Mandalay." [The Irrawaddy on-line](#) edition, September 22, 2007, accessed 09-24-2007; Seth Mydans. "Monks protest is challenging Burmese junta." [The New York Times on-line](#), September 24, 2007, accessed 09-24-2007. Subsequent monk attempts to go to Daw Suu Kyi's house were blocked by the police.

[10] Aung San Suu Kyi. "Speech to a Mass Rally at the Shwedagon Pagoda." In *Freedom from Fear and Other Writings*. Edited by Michael Aris. Revised edition. London: Penguin Books, 1995: p. 193.

[11] Gwynn Guilford. "Burma after the Crackdown: Waiting for the Military to turn on their Generals." [Slate on-line](#) magazine, October 15, 2007, accessed 10-16-2007.

[12] Saw Yan Naing. "Witnesses say September 27 was the worst." [The Irrawaddy on-line](#) edition, October 8, 2007, accessed 10-09-2007.

[13] Wai Moe. "Prominent student leaders arrested." [The Irrawaddy on-line](#) edition, October 13, 2007, accessed 10-13-2007.

[14] The last major demonstration by university students was in December 1996. After 1988, the SLORC/SPDC adopted three measures to control university students: (1) keeping university campuses closed for long periods during 1988-2002; (2) relocating campuses to remote, outlying areas to prevent the mixing of students and townspeople (also, dormitories were not built on new campuses, so students have to commute); and (3) promoting distance education courses, which obviate the need for students to come together in lecture rooms

[15] Seth Mydans. "Firsthand accounts reveal terror of the crackdown in Myanmar." [International Herald Tribune](#), October 14, 2007, at www.iht.com, accessed 10-15-2007.

[16] Larry Jagan. "Cracks appear in Myanmar

military unity.” [Asia Times on-line](#) edition, accessed 10-01-2007.

[17] In April 1999, for example, Lt.-General Khin Nyunt, the then powerful (but later purged) head of Military Intelligence, sponsored the replacement of the hti or gold and jewel-encrusted finial on the summit of the Shwedagon Pagoda.

[18] This has historical resonance. In 1757, King Alaungpaya, founder of the Konbaung Dynasty (1752-1885) captured the Mon [ethnic minority] capital of Pegu in the southern part of the country near Rangoon, extinguishing the Mon royal dynasty, and slaughtered 3,000 Mon monks because of their loyalty to their native king. According to historians, the monks were trampled by elephants and their monasteries pillaged. See Emmanuel Guillon. *The Mons: a Civilization of Southeast Asia*. Bangkok: the Siam Society, 1999: p. 203.

[19] Seth Mydans, “Firsthand accounts reveal terror of the crackdown in Myanmar.” See also Shah Paung. “Where have all the monks gone?” *The Irrawaddy*, October 16, 2007, accessed 10-16-2007.

[20] Since 1988, there has been remarkably little of what could be called terrorism: armed resistance in the Border Areas, where the major ethnic minorities such as the Karens, Shans and Kachins live, has been mostly ineffective; occasional bombings have occurred in Rangoon and Mandalay. One incident in May 2005 involved explosions with fatalities at shopping centers in Rangoon, and some observers speculated that it had more to do with military factionalism than with an armed, violent opposition.

[21] On the U Thant incident, see Andrew Selth. “Death of a Hero: the U Thant Disturbances in Burma, December 1974.” Research Paper no. 49. Brisbane: Griffith University Centre for the Study of Australia-

Asia Relations, 1989.

[22] This discussion does not include an account of the military regime’s behavior toward ethnic minority groups in the border areas, such as the Karens, Kachins and Shans, which has been even more coercive than its behavior toward the population in central Burma. See Bertil Lintner. *Burma in Revolt: Opium and Insurgency since 1948*. Chiang Mai: Silkworm Books, 1999.

[23] See Mary H. Callahan. *Making Enemies: War and State Building in Burma*. Ithaca: Cornell University Press, 2003: especially the Introduction, pp. 1-20.

[24] The scale and importance of Cold War-generated conflict in Burma is perhaps underestimated, especially when compared to Indochina (Vietnam, Cambodia and Laos). It resulted not only in the perpetuation of harsh military rule after 1962 but the development of powerful, drug-dealing warlord armies in the border areas, especially Shan State.

[25] Comment of Rangoon resident to author, March 20, 2007.

[26] See Donald M. Seekins. “The State and the City: 1988 and the Transformation of Rangoon.” *Pacific Affairs*, vol. 78, no. 2 (Summer 2005): pp. 264-270.

[27] *Ibid.*, pp. 270-273.

[28] See Donald M. Seekins. “A Tale of Two Cities: the SPDC’s decision to move Burma’s (Myanmar’s) capital from Rangoon (Yangon) to Naypyidaw (Naypyitaw).” Paper presented at the Workshop on “Capital Cities and Their Contested Role in the Life of Nations.” Shinawatra University, Bangkok, Thailand, September 17-18, 2007.

[29] In October 1998, diplomats and representatives from the United Nations and

World Bank met at Chilston Park, outside of London, and came up with a plan through which the SPDC would be given US\$1.0 billion in aid in exchange for opening dialogue with Aung San Suu Kyi and the opposition. The junta turned the proposal down, saying Burma would not “dance like trained monkeys” for foreign “bribes.” On the Chilston conference, see Thomas Crampton. “U.N. Links Burma Aid to Political Dialogue.” *International Herald Tribune*, November 26, 1998, pp. 1, 10.

[30] See Donald M. Seekins. *Burma and Japan since 1940: From ‘Co-Prosperity’ to ‘Quiet Dialogue’*. Copenhagen: Nordic Institute of Asian Studies, 2007: pp. 61-100.

[31] David I. Steinberg. *Burma: the State of Myanmar*. Washington DC: Georgetown University Press, 2001: p. 256.

[32] Some military personnel did participate in the 1988 demonstrations in Rangoon, and in the May 1990 general election, Aung San Suu Kyi’s National League for Democracy received strong support in constituencies where Tatmadaw personnel and their families resided. The currency reserve figure is from Lintner, *Outrage*, p. 230.

[33] *Ibid.*, pp. 188-189.

[34] Seekins, *Burma and Japan since 1940*, p. 116.

[35] Lintner, *Outrage*, pp. 220-222.

[36] On the Yadana Pipeline Project and associated human rights violations, see Earthrights International and Southeast Asian Information Network. *Total Denial: A Report on the Yadana Pipeline Project in Burma*. N.p.: ERI/SAIN, July 1996.

[37] Anuchit Nguyen. “Gas and oil discovered in Myanmar.” *International Herald Tribune*, August 6, 2006, accessed 11-01-2007.

[38] See Zaw Htet and Kyaw Thu. “Nation set for huge increases in oil and gas investment”; and “A Study of abundance: major onshore and offshore oil and gas fields in Myanmar.” *The Myanmar Times and Weekly Review*, August 20-26, 2007, accessed 10-30-2007

[39] In 1635, King Thalun officially moved his capital from Pegu, which had been a major Southeast Asian seaport and trade center, to Ava in landlocked Upper Burma. In contrast, Siam maintained its capital near the sea, at Ayuthaya until 1767, and at Bangkok after 1782. See D.G.E. Hall. *A History of South-East Asia*. London: Macmillan, 1964: p. 356.

[40] Dulyapak Preecharushh. “Myanmar’s Capital Relocation from Yangon to Pinyinman Naypyidaw.” Unpublished M.A. thesis, Southeast Asian Studies Centre of the Graduate School, Chulalongkorn University (n.d.).

[41] [Agence France-Presse](#). “Myanmar violence blamed on ‘opportunists’ backed by ‘powerful countries.’” October 1, 2007,, accessed 10-10-2007.

[42] William Boot. “Burma’s Skyrocketing gas prices caused by ‘incompetence,’ says analysts.” *The Irrawaddy on-line edition*, August 16, 2007, at www.irrawaddy.org, accessed 09-24-2007; Alfred Oehlers. “Behind Burma’s fuel price rise (commentary).” *The Irrawaddy on-line edition*, August 22, 2007, accessed 09-24-2007.

[43] See Choe Sang-Hun. “In Disgust for the Junta, Burmese are united.” *International Herald Tribune*, October 29, 2007, accessed 10-30-2007.

[44] The most famous drug-financed entrepreneur is the Sino-Shan Khun Sa, formerly known as the “king of the Golden Triangle,” who signed a peace agreement with the SLORC in 1996 and was allowed to have a luxurious and secure retirement in Rangoon,

investing in a number of business ventures. He died on October 28, 2007.

Hit where it Hurts.” Asia Times on-line, November 2, 2007, accessed 11-02-2007.

[45] See Bertil Lintner. “Myanmar’s Generals

[46] Though this is becoming a new theme for pro-democracy activists outside of Burma.