

THE KOKANG CLASHES – WHAT NEXT?

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INTRODUCTION

Recent clashes in Shan State between the Burma Army and the Myanmar National Democracy Alliance Army (MNDAA or Kokang) have highlighted differences between the ruling State Peace and Development Council (SPDC) and the ethnic ceasefire groups as the 2010 election approaches. Attempts by the SPDC to persuade the ceasefire groups to transform themselves into Border Guard Forces or surrender their arms



and contest the forthcoming elections as a political party seem to have failed. Ostensibly, the SPDC is trying pressure the groups to conform to its 2008 Constitution, which states in Chapter VII Clause 338, Defense Services, that “...all armed forces in the union shall be under the command of the defense services”.

Faced with a forthcoming constitutional dilemma the regime had little option but to seek an alternative in dealing with the ceasefire groups. Mindful of China’s influence and support for these groups, and also its need to legitimize its actions, the SPDC manufactured a number of pretexts. There is little doubt that as a dictatorship and human rights abuser, the regime could have simply turned on those groups that opposed it. Instead, the regime used fissures in the ceasefire group’s leadership to create division and to justify its actions.

Past history has shown, especially in the case of the Karen split, that the Burmese military is more that capable of using such internal division to further its own interests. While the SPDC may have, to some degree, sought to initiate splits within the various ethnic groups, such successes can only be achieved where these weaknesses already exist. It is these groups and those individual leaders who have enriched themselves, that are the weakest link in Burma’s ethnic struggle and, as such, are those most likely to be targeted.

However, the ultimatum for the ceasefire groups to become Border Guard Forces by October 2009, which was delivered by Lieutenant-General Ye Myint, Chief of Military Affairs Security, in April 2009, contradicted all previous SPDC instructions and assurances to the ceasefire groups. In the past 20 years, the SPDC has always insisted that it is only a 'transition government' and does not have a mandate to negotiate political terms with the ethnic ceasefire groups. The latter were told they could retain their arms and that they were to negotiate the surrender of their arms with the new government that would be elected. The ceasefire groups were reassured when the SPDC announced after the 2008 Referendum that the new Constitution would only come into effect after the new government was sworn in. This assurance was repeated as late as January 2009.

Furthermore, the written agreement with the Kachin Independence Organization (KIO), another ceasefire group, stipulates that the KIO would retain its arms until it gets the constitutional guarantees that it desires¹. The KIO has consistently stated that it is not satisfied with the SPDC's 2008 Constitution. This in spite of the fact that it participated in the National Convention to draft the constitution. None of its constitutional proposals were accepted by the SPDC.

The question then is why has the SPDC changed its long-held position? Will the SPDC risk a return to civil war with an attack on the KIO and the stronger United Wa State Army? Or is the Border Guard Force issue just a pressure tactic to force the ethnic ceasefire groups to accept the SPDC's Road Map and support the 2010 elections?

BACKGROUND

The MNDA (or Kokang) was created when the Communist Party of Burma's (CPB) Northern Bureau led by Pheung Kya-shin mutinied in 1989.

Pheung Kya-shin, an ethnic Chinese, and his brother, Pheung Kya-fu, were officers in the army of the traditional rulers of Kokang – the Yangs. In the mid-sixties, when the Burma army launched an offensive against the Yangs, Pheung Kya-shin and his brother fled to China. There they contacted the CPB and were offered arms and ammunition to fight the Burmese government. On 5 January 1968, Pheung Kya-shin, as commander of the Kokang People's Liberation Army, entered Burma and, in August the same year, joined CPB forces in Burma.

The Pheung brothers led both the military and the civilian administration in the Kokang region and were also the first, in the mid-1970s, to establish a heroin refinery there. The CPB disapproved of such action and apparently paid Pheung Kya-shin 400,000 kyat to close down the refinery and transferred him to the Party's headquarters at Pang-Sang.² Ignoring the Party, he set up another refinery and in 1989 initiated the mutiny against the CPB.

The Burmese military regime, in an attempt to prevent the Pheung brothers from joining the National Democratic Front and the newly formed Democratic Alliance of Burma on the Thai border, quickly sought an accommodation with the rebels and a ceasefire - allowing them to keep their weapons and administer the area - was agreed to.

In addition to the Pheung brothers, Yang Mo Liang and Yang Mo An, were also instrumental in setting up the MNDAA. The Yang family were the traditional hereditary rulers of Kokang. Between November and December 1992, a war over the opium trade involving the Pheungs and the Yangs occurred. The opposing sides were joined by the Wa in support of the Yangs, with Khun Sa's Mong Tai Army (MTA) reinforcing the Pheungs. The war came to an end with the Pheungs' defeat when the MTA forces, escorted by Burmese military intelligence, were ambushed by Wa Troops, leaving the Yangs in complete control of the region's refineries.

The third individual instrumental in the MNDAA was the former Northern CPB treasurer Liu Guo Shi. He, like the Yangs and the Pheungs, operated heroin refineries in the Kokang area and was responsible for selling most of his heroin to "big buyers in Mandalay".

Despite Pheung Kya-shin's defeat in 1992, by 1994 he had once more regained power and taken over the leadership of the organisation, which now also included his brother Pheung Kya-fu, and Li Guo Shi. In 2002, the MNDAA announced that it had banned opium throughout its territories and had embarked on an opium eradication program. Members of the group became involved in a number of businesses.

For example, Yang Mo Liang controls the Peace Myanmar Group (PMG), which holds the franchise for Mitsubishi Electric in Burma and operates a paint factory and liquor distillery producing well-known local brands such as Myanmar Rum and Myanmar Dry Gin. The MNDAA's treasurer Li Guo Shi opened a large consumer electronics showroom on Merchant Street in central Rangoon in a joint venture with the Ministry of Commerce, while Peung Kya-shin owns a saw-mill and a sugar factory at Nawngchio, south of Hsipaw in Shan State.

RECENT INTERNAL STRIFE

At a meeting on 4 June 2009, Pheung Kya-shin met with Lt. Gen Ye Myint and told him that the MNDAA had no desire to change its current status and no decision would be made until after the 2010 elections and the appointment of a new government.

One month later, in July, Pheung Kya-shin expelled six Kokang executive committee members including his deputy Bai Sou Qian (Bai Souqian), Chief Administrative Officer Mi Xiaoting, Liu Guo Shi, Li Erh, and Wei Xiaoyang. Sources suggest that they had clashed over Pheung Kya-

shin's unfair distribution of power. Most of the important positions in the organization were held by Pheung's sons.

The six were reportedly also in favour of transforming the Kokang troops into a Border Guard Force.³ It is interesting to note that Liu Guo Shi is reportedly close to Burma's Deputy Police Chief, Colonel Zaw Win.

On 6 August 2009, Burmese police issued a warrant to search what was initially believed to be a drug manufacturing plant. Police arrived to search the facility which was later reported to be an arms repair factory. However, they were prevented from doing so.

Two days later, on 8 August (also known as the Kokang Incident), the police and 70 Burmese troops⁴ arrived in Laogai, the Kokang capital, to search Pheung Kya-shin's home but were blocked by over 300 Kokang troops. A 5½ hour stand-off ensued with the impasse between the two sides finally ending after Chinese intervention. The police were allowed to search the property but found nothing.⁵

On 10 August, five of Pheung Kya-shin's close aides were invited to meet with Major-General Aung Than Tut, Northeastern Region Commander at his headquarters in Lashio. Three were detained and two were ordered to return to Laogai in an attempt to get Pheung Kya-shin to accompany them back to Lashio. He refused to do so. Further escalation of hostilities was avoided with the return, the next day, of the three detained officials.⁶

Although the situation had returned to relative normality in Laogai, it was reported that Burma army troops were moving closer to Kokang positions. The Burma army's advance was forcing Kokang troops into higher territory and was seen by a number of observers as an attempt by the junta to force the Kokang to shoot first. Any offensive action on behalf of the ceasefire groups would be contrary to the Myanmar Peace and Democracy Front's (MPDF) main principles of not shooting first.⁷

In response to the Burma Army's activities in Kokang the Myanmar Peace and Democracy Front (MPDF) issued a statement on 21 August 2009, supporting the Kokang stance in refusing to allow the Burma Army access. It noted that:

1. MPDF supports the action and position taken by the MNDAA, who run the Special Region No 1, Shan State (North), about the (8.8) incident.
2. MPDF supports the campaign to eradicate illicit drugs and related actions. However, we oppose any violent act and pressure against ethnic minorities and ceasefire groups, in the name of the anti-narcotics campaign.

3. It is a legitimate and lawful action that ethnic ceasefire groups, who all are officially recognized by the government, have built and maintained a factory to repair our old weapons.

The day after the statement, 22 August, the local police served a summons ordering Pheung Kya-shin, his two sons, Daxun (Tar Shwin) and Dali (Tar Li), and his brother Pheung Kya-fu to appear in court. They failed to attend and two days later, on 24 August, a warrant was issued for their arrest.

On 25 August a silent coup occurred in Laogai, led by Bai Sou Qian, Mi Xiaoting, Liu Guo Shi and Li Erh. The coup was later supported by other Kokang militias from Kunlong and Hopang. These were also joined by troops commanded by Yang Mo Liang.

Fighting intensified over the next four days and over 37,000 civilians were eventually forced to flee across the Chinese border. Most of the clashes took place around Laogai and Qingsuihe (Ching Shwe Haw), the latter being on the Kokang-Wa border and connected by a bridge, across the Namting River to the UWSA's 318th Division commanded by Bao Ai Roong.

Qingsuihe was finally taken on 29 August after UWSA forces who had joined the conflict withdrew. Large scale fighting eventually subsided after 700 Kokang troops fled across the Chinese border on the same day and were disarmed by the Chinese People's Liberation Army (PLA).

On 31 August the SPDC-run *New Light of Myanmar* issued a statement saying that the region was now stable. It further added that the Kokang group led by Pheung Kya-shin had been involved in illegal activities. Interestingly, it noted that the information for the police action against the Kokang was provided by 'a third country' which it later identified as China, which, according to Burma's Deputy Home Affairs Minister Brigadier Phone Swe, had informed them about it during a ministerial meeting with China on combating transnational crime.⁸

THE MYANMAR PEACE AND DEMOCRACY FRONT

The MPDF, formed in March 2009, came under a lot of criticism for its failure to act in support of the Kokang troops. The four-group military alliance which comprises the United Wa State Army (UWSA), the MNDA, National Democratic Alliance Army (NDAA, or Mongla) and the Kachin Independence Army (KIA) was seen as largely impotent during the Kokang attack. Even though Pheung Kya-shin had called for support from other groups, none was immediately forthcoming. It wasn't until the Burma Army advanced towards Qingsuihe (Ching Shwe Haw) that 400-500 UWSA troops reacted and purportedly fought alongside Kokang troops. It must be

noted that the reason for this may have been to secure USWA positions at Namteuk which lies across the river. By 29 August the UWSA troops had withdrawn across the river to protect their own border and the Kokang base at Qingsuihe fell. With the exception of a few minor skirmishes, Wa troops provided little to no support in defence of their Kokang allies.

There is some speculation as to whether the UWSA failed to act due to Chinese pressure or possible ties with pro-SPDC Kokang leaders. The relative inaction of the largest, and strongest, member of the alliance, in the face of Burmese attacks, leaves little hope for other members. It is highly likely, given recent circumstances, that smaller, less well-armed groups, like Mongla or the Kachin, would not rely on the alliance for protection.

CHINA'S REACTION

It is more than likely that China was fully aware of the possibility of armed conflict resuming on its borders. Sources suggest that when General Maung Aye visited China in June, high ranking officials had already stated that any renewed conflict along its border was unacceptable.⁹ That said, however, China would also have been aware of the ceasefire-groups' intention to reject any SPDC offer. Although they may not have expected the conflict to erupt at the time it did, they would be aware of the fact that the Burmese government would not allow the ceasefire groups to dictate their own terms of compliance.

According to the SPDC, it was China that first informed it of an illegal arms manufacturing plant in Laogai.¹⁰ Subsequently, when the first refugees fled to the Chinese border on 8 August, the Chinese moved quickly to negotiate a settlement and the stand-off ended. While the early confrontation may have been avoided, the Burmese government's use of legal instruments - search and arrest warrants - prevented any substantial Chinese intervention. The Chinese government's stance on the Aung San Suu Kyi-Yettaw case, in which China had stated that 'International society should fully respect Myanmar's judicial sovereignty,'¹¹ ensured that the Chinese government could not denounce what the regime considered a lawful action.

The defection to the SPDC's side of Bai Sou Qian and Liu Guo Shi also played into the regime's hands. The fact that there were already Kokang leaders to replace Pheung Kya-shin and thus, at least nominally, bring some form of stability back to the region would also have deflected any real criticism. For China, stability in the region is the most important factor. The Chinese government issued what was considered unexpected criticism in the form of a Chinese Foreign Ministry statement requesting Burma to "properly deal with its domestic issue to safeguard the regional stability in the China-Myanmar border area." However, the significance of the statement may have been exaggerated.

All parties to the conflict are faced with a dilemma. If the Burma army launches an all-out offensive against ceasefire groups in Shan State, it will not end the conflict. Ethnic forces will not be completely wiped out and will once more return to guerrilla warfare. This would be disastrous both for the Burmese regime and China. China relies on the area for trade and also as a future major conduit for oil and other energy projects. The Burmese regime, as well as being militarily involved in the region, will lose substantial income from Chinese projects.

SPDC STRATEGY

The SPDC has sought to veil its actions under a semblance of legality. In both the cases of Aung San Suu Kyi and the recent fighting in Kokang, it has relied on the law to disable the opposition. How successfully and transparently remains a matter of conjecture. While the SPDC does not appear to be prepared to launch an initial attack on ceasefire forces it does seek to create a division in which it can be seen to support a rebelling side.

In light of this, the Kachin Independence Organisation purportedly removed six officials it considered to be too close to the regime, including the Vice-president Dr. Manam Tu Ja, and Deputy General Secretary N'Ja Naw Rip.¹²

As far as the UWSA is concerned, a number of observers believe a split could occur between the UWSA 171st Brigade bordering Thailand and the organisation's headquarters at Panghsang. At least one source reports that Wei Xuegang, the leader of the 171st, is believed to be close to Burmese Prime Minister Thein Sein.¹³ Although recent reports state that the 171st has begun work on fortifying its areas.¹⁴

It is highly unlikely that the SPDC would launch an offensive against ceasefire groups without having a legal reason, in its eyes, to do so. However, it will seek to identify weakness for further exploitation.

THE FUTURE OF ETHNIC ARMED-RESISTANCE

The conflict in the Kokang area should be seen as a reminder of the long-standing ethnic conflicts, including over 60 years of ongoing civil war, that have plagued Burma. Until there is a political solution to the ethnic issue, such clashes will continue and further jeopardize regional stability, internal peace, and the hope for a democratic transition in Burma.

Regional instability will affect the national interests of both Burma and its neighbouring countries, especially China. However, China will not change its policy towards Burma because of the recent Kokang clashes. Such groups, the Wa included, are nothing more than pawns that can easily be sacrificed for China's long-term and geo-strategic interests, including a US\$ 2.5

billion oil-and-natural-gas pipeline project that will run from the Indian Ocean to Yunnan’s capital, Kunming. To a certain degree, the recent Kokang incident, like the CPB, is yet another example of Burma’s ethnic groups being used for China’s strategic ends.

The SPDC was fully aware from the very beginning that China would not interfere, risking its long-term national interests, on behalf of the Kokang or other ceasefire groups. In an attempt to provide the government’s actions with a modicum of legitimacy, the regime skilfully used a number of Kokang rebels and the rule of law to quash the Kokang’s perceived intransigence.

For ethnic nationality forces, both ceasefire and non-ceasefire, the creation of a Border Guard Force should be seen as the final consequence of the ‘cease-fire strategy’ formulated by General Khin Nyunt in the 1990s. From a strategic point of view, the transformation of ceasefire groups into a Border Guard Force, after reaching the point where they can be easily eliminated, is the SPDC’s “coup de grace” for ethnic armed-resistance. As such, ethnic nationalities should respond to the actions of the SPDC by employing sound strategic thinking.

For most of the past sixty years, armed-resistance was perhaps the only means that ethnic nationalities could effectively rely upon to defend their peoples and their political and cultural aspirations. However, because of changing geo-politics and circumstances, the ethnic nationalities need to examine other alternative avenues to achieve their political goals.

There is little doubt that armed-resistance has played a significant role in protecting the ethnic rights movement, yet such a strategy no longer seems to be sufficient.

An overall and inclusive political blueprint that will bring a satisfactory conclusion to the ethnic problems of the country is needed. Until such a strategy is adopted, the risk of further clashes will remain.



ENDNOTES

¹ Agreement between the KIO and the SPDC, 1995.

² Bertil Lintner, *Burma in Revolt*, 1994, pg 293.

³ “PLA Moves to the Kokang Border”, *Shan Herald Agency for News (SHAN)*, 25 August 2009.

⁴ Some reports state 60 troops, other 3 battalions. It remains unclear why the Burmese Army was involved and not the police.

⁵ “China tough with junta on Kokang”, *SHAN*, 13 August 2009.

⁶ Ibid.

⁷ “Junta’s ploy push Kokang to shoot first”, *SHAN*, 14 August 2009.

⁸ “Myanmar says Chinese tip-off led to border clash”, *AP*, 9 September 2009.

⁹ “Junta and Kokang almost come to blows”, *SHAN*, 10 August 2009.

¹⁰ “Myanmar says Chinese tip-off led to border clash”, *AP*, 9 September 2009.

¹¹ “China calls on West to ‘respect’ new detention of Aung San Suu Kyi”, Richard Lloyd Parry, *The Times*, 12 August 2009.

¹² “KIO dismisses 6 high-ranking officers”, *Kachin News Group (KNG)*, 5 September 2007. It was also reported that some of those including Manam Tu Ja would have resigned anyway.

¹³ “The fall of Kokang raises questions”, *SHAN*, 31 August 2009.

¹⁴ “Wa Units in Southern Shan State Build Defenses”, Saw Yan Naing, *Irrawaddy*, 9 September 2009.