



*Photo of Hpakant before and after the ceasefire between the KIO and Burma's military*

# Lessons from the Kachin “development” experience

## INTRODUCTION

Burma's government is using the promise of development as a key component in its current peace negotiations with armed ethnic organizations, proposing ceasefire first, then development, and finally a national political agreement. This process has been tried before in Kachin State with disastrous consequences.

This report summarizes findings from seven years of research and demonstrates that the Kachin experience should serve as a warning to other ethnic groups attempting peace through a similar process. Without a political resolution first, there can be no just or sustainable development of Burma.

## **BACKGROUND HISTORY OF CHINA-BURMA BORDER TRADE AND ECONOMIC DEVELOPMENT PROJECTS**

In the late 1980s, China changed its foreign relations policy in order to strengthen its economy and obtain natural resources. The Chinese and Burmese governments began to engage in talks on their border trade and in 1988, [the two sides signed comprehensive cross-border trade agreements](#).

In October 1989, Lieutenant General Than Shwe and Myanmar's powerful intelligence chief General Khin Nyunt (now retired) spent 12 days in the capital city of Beijing, China and consulted with China's government about increasing Burma's military strength and local development projects. In 1990, China's government loaned US\$1.2 - 1.4 billion to Burma's military government (at that time called the State Law and Restoration Council or SLORC) [without charging any interest](#).

In late 1991, military consultants from China visited Burma and beginning from 1991 to 1992, Chinese ministers came to Myitkyina, Kachin State.

Later, under the process of border trade development, the Chinese started building roads, railways, and bridges. For the sake of the economic development of Yunnan Province in the western part of China, natural resources from Kachin State have been exploited and sent to China.

To secure this border trade, [China pressured Burma to establish a ceasefire](#) between Burmese troops and Kachin armed groups.

### **THE ARMED GROUPS AGREE UPON CEASEFIRE**

Burma's military government has [increased the number of its brigades in Kachin State](#) from 26 in 1994 to 41 in 2006, and more are still pouring into the Kachin homeland.

Through the ceasefire agreements, Burma's military government inspired the armed groups to high expectations under the catchword "Economic Development." As soon as ceasefires were promulgated, every armed group along the border started development activities in their respective territories. Under those building projects, [selfish competition for private business caused dissention among the ethnic groups](#).

In this way, Burma's military government during General Khin Nyunt's time could successfully hold ceasefires with 17 armed groups by means of a "sugar-coated strategy" without involving gunshots or bloodshed. This strategy seemed to provide opportunities to the ethnic groups but in reality it gradually smothered away their freedom fighting spirit.





*The KIO and Burma's military government hold ceasefire discussions on 8 March 2012*

## **“DEVELOPMENT” IS UNLEASED**

Once the ceasefire started, large-scale logging in teak-filled Kachin State began to flourish. Illegal gold and jade mines sprang up along all the main rivers. Kachin State covers a total area of 16,083 sq. km. but [18% of it has become gold mines](#).

In early 1994, there were only 13 gold mines in Hugawng Valley, which is known as the world’s largest tiger reserve. Now [there are 31 main mines and over 100 mid-sized hydraulic and pit mines ravaging the valley](#), using mechanized pumps and dredges and dumping mercury-contaminated tailings.



*Large-scale gold mining along the river banks of the Myitsone confluence in late 2011*



*Truckloads of teak from Kachin State are transported to China*

Forests were depleted, the waters were poisoned, and the course of rivers completely changed. Massive erosion has caused deadly floods and landslides. Used oil, mercury, and cyanide that were dumped anywhere now threaten the health of wildlife and local people.

Countless businessmen cooperated with Burma's military government (SLORC) and invaded the state. Many came from China to the Mali hka and Nmai hka region, along the Irrawaddy River, and the Uru Sengmaw region under the control of the Kachin armed group. They set up casinos and brothels in KIO border areas. Chinese experts and workers built roads and bridges to transport natural resources to China.

Troops from Burma's military poured in, [confiscating lands for their army bases and new administrative centers](#) and committing abuses against the local populations, including forced labor and rape.

Military crony and business tycoon Htay Myint and his Yuzana Company [bulldozed people out of their homes and turned over 200,000 acres of land in the world's largest tiger reserve](#) into a chemical-laden mono-crop plantation. Over 20,000 acres of banana plantations under a project run by Burma's government, the KIO/KIA, and China's government have left local people landless near the China border. The chemicals used in the plantations [harm peoples' health and pollute waters](#).





*Land clearing and destruction for Yuzana's plantations in the tiger reserve. The tiger reserve signboard reads "conserve today for the future."*



*Chinese worker camp at construction site of the Irrawaddy Myitsone dam*

Now China Power Investment Corporation (CPI) [is working on seven mega dams on the Mali and Nmai rivers and at the Irrawaddy Myitsone](#), the crux of the whole Burma. The 6,000 MW Irrawaddy Myitsone dam alone will flood an area the size of Singapore and force 20,000 from 47 villages to relocate. Although it was announced that the dam was suspended, Chinese workers remain at the Myitsone and continue to work on the other dams, and relocated villagers still cannot go home.

The systematic exploitation of natural resources has created serious social problems. Land confiscation and forced relocation has left people homeless and without income or livelihood, forcing them to migrate to squalid mining camps and to neighboring countries. Amidst this migration [many young women have been trafficked to China](#) and sold as brides or into the sex industry.



*Drug user in Hpakant*

[Drug abuse is now rampant in mining areas](#) and in major cities. Almost every household in communities like Shatapru and Du Kahtawng in Myitkyina has a heroin addict. This causes family members a lot of worries and many different problems at home. In one mining town in Hugawng Valley, approximately 80% of miners are addicted to black opium and an additional 30% use heroin and methamphetamines.

Together with drug abuse, crime and gambling have increased. Because of these increasing crimes and vices, the livelihoods of the local people have become extremely difficult.

Family units are disintegrating because spouses are living apart for a long period of time in mining areas and these areas have spurred a rising sex industry. In 2005, many Kachin young women were recruited to work as cooks in gold mine areas but were forced into prostitution in the brothels there. The Burmese [government police officers were involved in this trade](#) by collecting tax. This kind of sex trade in Kachin State is now common especially in gold and jade mining areas, and in large towns like Myitkyina.





*Night club in Hpakant*

Drug abuse and a rise in the sex industry have caused an explosion of HIV/AIDS cases. In the late 1990s the highest rates of HIV/AIDS in Burma were found in Kachin State, [in 2009 54% of intravenous drug users tested positive for HIV](#).

During the ceasefire, ethnic armed groups also consulted with Burma's military government and started development projects in their respected regions. While some projects, such as small-scale hydro-plants and local roads were useful for local people, many projects such as schools and dispensaries, turned out to be empty shells. Overall, the expected goals of these development projects were not achieved.

## **THE BENEFITS OBTAINED FROM DEVELOPMENT PROJECTS DURING 17 YEARS OF CEASEFIRE**

While Kachin State communities are reeling from the impacts of development, China will take 90% of the electricity generated from dams on the state's rivers. China is importing gold, jade, and valuable raw materials from Kachin State cheaply, and earning huge profits by selling finished products at high prices to foreign countries. From 1991 to 1997, China [exported 0.5 tons of gold from Kachin State](#) to other countries. Chinese traders are sending convoys of trucks full of soil and rare earth minerals out of our state in order to hoard these precious stones for maximum profit.

Burma's Ministry of Mining officially collects taxes on 35-50% of mining incomes in Kachin State while the Northern Commander as well as military and government authorities locally and in Nay-Pyi-Daw gain billions of kyat in bribes from mining and logging businesses. [Armed groups, senior commanders and private companies also benefit](#) from the exploitation of natural resources while the situation of local people worsens. Businessmen who take advantage of the troublesome times are taking in profits.

## NO REDRESS FOR LOCAL PEOPLE

Numerous petitions and appeal letters have been submitted to various levels of government to restore confiscated lands to original owners and stop destructive projects. Legal cases were submitted to the central court in Nay-Pyi-Daw for fair judgment. However, there has been no resolution of the problems under both the Than Shwe and Thein Sein regimes. To the contrary, [human rights abuses have been accelerating](#).

## ATTEMPTS BY KACHIN INDEPENDENT ORGANIZATION (KIO) FOR POLITICAL RESOLUTION FAILED



*Kachin delegation at the National Convention (Photo from google)*

In 2006, KIO Vice-Chairman Dr Tu Ja and team attended the National Convention and submitted a 19-point proposal to the State Peace and Development Council with the hope that the rights of the Kachin homeland and its people might be granted. However, Burma's government did not take these points into account for discussion, but informed the team that they would be kept for record. The KIO patiently and broadminded supported the 2008 Constitution. The team attended the National Convention to discuss the issues as political talks at the Convention.

Dr Tu Ja led the formation of Kachin State Progressive Party (KSPP), and prepared to run in the 2010 election campaign. However, the SPDC did not recognize KSPP as an officially valid registered political party, and instead pressured KIO/KIA to convert into a Border Guard Force (BGF) under the Burma Army.

Attempts by the KIO/KIA to consult with Burma's military government throughout the last 17 years of



ceasefire have also been fruitless. The KIO actively participated in Burma's National Convention and even though all of its suggestions to improve the constitution were rejected, it still supported the final 2008 constitution. The KIO Vice Chairman resigned and attempted to register a Kachin political party to run in the 2010 elections, but the party was not recognized. Instead of engaging in meaningful talks or negotiations, Burma's government pressured the KIO to convert into a Border Guard Force (BGF) under the Burma Army.

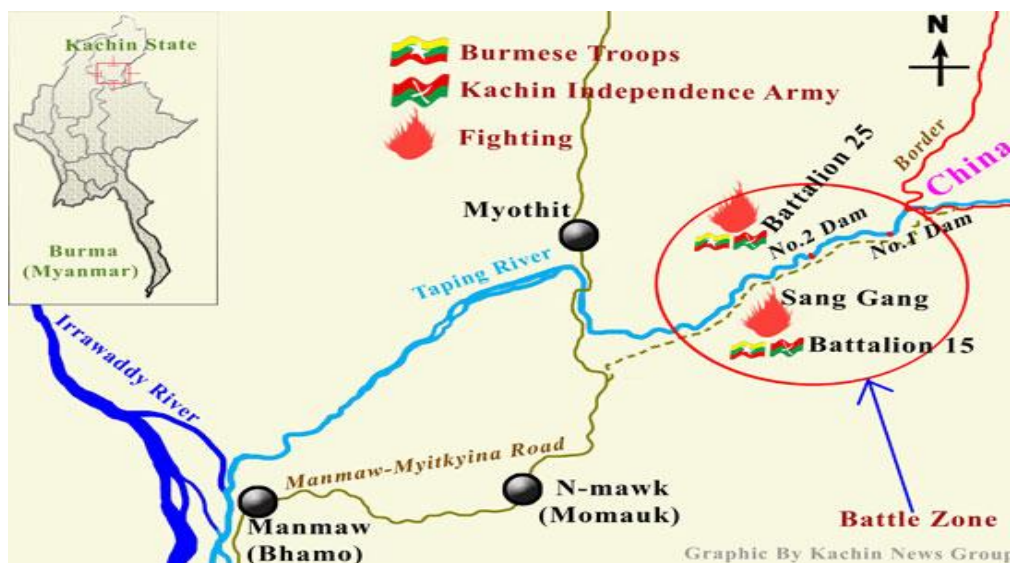
For many years, the human rights, cultural rights, religious freedoms, and literature rights (freedom of press) of the local ethnic peoples have been restricted in Kachin State. During the last 17 years of ceasefire between KIO/KIA and Burma's military government, vast amounts of natural resources in Kachin State were lost, natural habitats were depleted, and human rights abused under economic development projects. Local people and KIA soldiers were tortured and women were raped by Burmese soldiers.

## THE FIGHTING BETWEEN KIO/KIA AND BURMESE MILITARY GOVERNMENT RESUMES

As mentioned above, due to loss of human rights and sufferings, the local people have been complaining against the KIO/KIA. The people have repeatedly submitted petitions to KIO/KIA and Burma's military government to solve these current problems.

KIO/KIA consulted with Burma's military government throughout the last 17 years of ceasefire period to reconstruct the country. Kachin State locals have had enough of development projects by means of ceasefire led by Burma's military government. Sustainable development, justice, and genuine peace have not been realized.

Therefore, under pressure from Kachin people and military pressure by the Burma Army, the KIO/KIA began defending Kachin areas to restore due rights, and the 17-year ceasefire ended.



*The KIO and Burma's military started fighting in June 2011 near China's Dapein dams*

## **CONCLUSION**

While vast amounts of natural resources are being exploited from Kachin State and “development” projects implemented, the lives of the local people have not improved but have worsened. Precious natural resources are blessings, but seem to be a curse for the local residents. Despite the development projects during the ceasefire time, the people of Kachin State have not developed, but in reality they are losing their human rights day by day.

People in Kachin State have already experienced peace talks and the subsequent development process. Ceasefires without political solutions will bring an onslaught of mega-development projects similar to the Myitsone Dam and Yuzana plantations in Kachin State and eventually lead to renewed war.

The experience in Kachin State is clear. Without a political resolution first, there can be no just or sustainable development of our country.

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Analysis of Kachin State development based on research from 2005 to 2012